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## **Near East & South Asia**

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# Near East & South Asia

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30 October 1992

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## REGIONAL AFFAIRS

### 'Iranian Sources' Say Hamas Given \$20 Million Yearly

93P40018A London AL-MAJALLAH in Arabic  
14 Oct 92 p 17

[Excerpt] Amman, AL-MAJALLAH—[Passage omitted] Iranian sources estimate that Iran gives the Hamas movement approximately \$20 million yearly. This comes at a time when Fatah activities in the Iranian capital are succumbing to many difficulties, despite a Fatah office there.

### UK's Aitken on Relations, Armaments, Defense

92AE0003A London AL-HAYAH in Arabic 30 Sep 92  
p 6

[Article by Samir Nasif and Suzanne Tarbush in London]

[Text] British Defense Procurement Minister Jonathan Aitken has announced that Britain is prepared to provide any Arab country with defense materiel, "on the condition that it does not conflict with our policy, which is concerned with maintaining the security and well-being of the region." He confirmed that his country has no plans to export military equipment to Iran.

He added, in an interview with AL-HAYAH, that British-Saudi relations "are in their best stage" and that his government would supply the Gulf states with arms.

Aitken addressed British defense policy, particularly as it relates to Gulf states and his tour of the region, which will include the United Arab Emirates, Qatar, Oman, and Bahrain. The weeklong trip will begin 9 October. Aitken assessed the results of British Defense Secretary Malcolm Rifkind's tour, which recently took him to Saudi Arabia, Kuwait, and Bahrain. He also discussed the al-Yamamah project to provide for Saudi Arabia's defense needs, which was signed in 1985. The first phase of the project has been implemented, and the second phase is awaiting realization.

Most importantly, Aitken said that Britain's arms policy "relies on caution and responsibility when it receives requests for equipment from Arab or non-Arab countries. Britain has learned useful lessons from the Gulf war and the arming process that preceded it and has become severer when studying an agreement to export arms, out of fear they might fall into the hands of countries that will misuse them." Specifically, he mentioned the Iraqi "supergun" and Iranian requests to purchase arms.

He announced that Britain will not provide arms to Iran at this stage and, in fact, will offer its advanced weapons to the Gulf states in order not to permit Tehran to achieve military superiority in the Gulf region.

He referred to the Eurofighter aircraft (EFA) that Britain is preparing to manufacture in conjunction with other European countries and confirmed that this plane, whose prototype will be ready by the end of this year or early next year, will outfight any other plane in air battles. It will be offered to friendly Gulf countries and is expected to be ready for delivery early in the year 2000.

On Iran's obtaining advanced Russian warplanes and military equipment from other countries, Aitken said that the Eurofighter aircraft will play a part in achieving "the needed balance and insure the security of the Gulf."

He explained that the goal of his coming trip to the UAE, Qatar, Oman, and Bahrain was "first and foremost to assess the defense and security situation in the region, hold talks with officials on their defense needs, and strengthen bilateral relations." He added that he might visit Saudi Arabia at the end of the year and indicated that Rifkind's visit there "was largely successful." The latter met with Custodian of the Holy Places King Fahd Bin-'Abd-al-'Aziz; Crown Prince, Commander of the Saudi National Guard, and Deputy Prime Minister 'Abdallah Bin-'Abd-al-'Aziz; and Saudi Minister of Defense and Aviation and Second Deputy Prime Minister Prince Sultan Bin-'Abd-al-'Aziz.

Aitken described the al-Yamamah project as being "like a rushing river, the momentum of whose waters varies, but never stops," and pointed to the lack of details announced about the second part of the project, which includes supplying of Saudi Arabia with 48 Tornado aircraft, minesweepers, and other equipment.

He emphasized that the final decision about the equipment and arms "rests with the Gulf leaders. They will decide upon the best means and most suitable sources for their needs."

The British minister spoke about his political past and his entry into the House of Commons and about leading the British-Saudi Parliamentary group since 1974. What follows is the text of the interview.

[AL-SHARQ AL-AWSAT] What about your upcoming Gulf tour to Qatar, Oman, the UAE, and Bahrain? Have you visited these countries before? Will you visit Saudi Arabia, too?

[Aitken] I have visited these countries on many occasions. My first visit to the Gulf was in 1964, and I visit the region annually. But this is my first official visit as a minister. The aim of the visit is to hold bilateral talks on defense issues with the officials of these countries, bearing in mind that I know many of them personally. I will not visit Saudi Arabia this time, because Defense Minister Malcolm Rifkind has just returned from there. I will visit Saudi Arabia before the end of the year.

[AL-SHARQ AL-AWSAT] Was Rifkind's visit set first?

[Aitken] Rifkind's trip was planned weeks ago, and it was a successful visit. The minister felt very pleased with the warm welcome he received from the Saudi, Kuwaiti,

and Bahraini leaders. In Saudi Arabia he met with King Fahd, Prince 'Abdallah, and Prince Sultan. Their talks were fruitful and constructive and enhanced the consolidation of the political and defense relations between the countries.

[AL-SHARQ AL-AWSAT] What was accomplished as far as implementing the second phase of the al-Yamamah project?

[Aitken] The al-Yamamah project is like a rushing river of Saudi-British defense cooperation. British-Saudi defense relations are very special. They have their own momentum and were subjected to a successful trial in the Gulf war. Saudi defense purchases from Britain will continue, and the river will keep on rushing.

Our relations with Saudi Arabia are in their best phase.

[AL-SHARQ AL-AWSAT] Will Prince Sultan Bin-'Abd-al-'Aziz visit Britain soon?

[Aitken] Yes, Prince Sultan agreed to visit Britain soon. The date for the visit has not been scheduled yet.

[AL-SHARQ AL-AWSAT] Do you see any contradiction between Saudi Arabia's request for F-15E Eagle plans from the United States and the implementation of the second phase of the al-Yamamah project, which includes the purchase of 48 British Tornado aircraft?

[Aitken] We see no contradiction between the F-15E and Tornado deals, but I cannot comment on the Saudi position. I am a British minister and have no right to intrude on what Saudi officials deem necessary.

Tornado aircraft were put to the test in Operation Desert Storm for 43 days of air war, and these planes, piloted by Saudi pilots, covered about a thousand military sites in complex air operations. Saudi and British pilots in the Gulf war praised the aircraft's qualities and considered it the pilots' favorite type of plane. We are proud of the plane's capability, and we equip our own air force with it.

[AL-SHARQ AL-AWSAT] Is the timing of the delivery of the equipment significant in facilitating the conclusion of the deals about the planes and other military equipment?

[Aitken] Because of Saudi-British relations in the political and, especially, the defense fields, we have made a great effort in the past to deliver equipment as speedily as possible.

In 1985, in the first phase of the al-Yamamah project, the British Government delivered to Saudi Arabia some Tornado aircraft that had been set aside for the British Army. This is an example of how close the two countries are. We will do whatever we can to realize the special requests our Saudi friends ask of us in the future.

[AL-SHARQ AL-AWSAT] Have the Americans made these kinds of sacrifices to conclude the F-15 deal?

[Aitken] I have no knowledge of that, but I would like to explain that the American deal has gone no farther than a speech President Bush gave, promising to supply the Saudis with these planes. The deal has not gone through Congress and is still far from the ratification stage.

[AL-SHARQ AL-AWSAT] A number of Congressional officials sent a letter to the British Prime Minister John Major a few months ago asking him not to supply warplanes to Saudi Arabia, claiming they were anxious that the balance with Israel not be upset. Do you think the same thing will happen with the F-15 deal?

[Aitken] No arms deal to the Middle East has ever passed smoothly through Congress. I cannot speak of the difficulty or ease with which that deal will go through, but there are Congressional elections soon, in which 150 new members will enter the American legislature, and there are American presidential elections that might lead to the victory of a new president. So the F-15 deal is not ratified yet, or ready for implementation yet.

[AL-SHARQ AL-AWSAT] What about Gulf participation in the funding of the Eurofighter aircraft (EFA) project directed by Britain, Germany, Italy, and Spain?

[Aitken] This is no more than a matter for conjecture at the present time. The four European countries participating in the project are awaiting the results of a study of anticipated costs. These results will be published next November, and at that point the next step will be decided.

With regard to the participation of other countries in the project, we welcome that, especially if it comes from friendly countries, but these decisions will be made later on.

The Eurofighter aircraft has a distinctive capability and can defeat any other plane in air combat. If we look at the way Iran has armed itself, with advanced Russian planes, it becomes necessary to equip the Gulf states with this plane to maintain the defense balance. For that reason, we think the Eurofighter will complete the axis of big deals in the future.

[AL-SHARQ AL-AWSAT] If non-European funds play a part in the process of producing this plane, will they have a role beyond that of importer?

[Aitken] This is a theoretical question to some extent. The subject of Eurofighter production is still in the hands of the four European countries that are managing it, but the door is open for friendly countries to take part. And setting out the details of the role of these countries is the domain of the four countries together, not us alone.

[AL-SHARQ AL-AWSAT] When will the Eurofighter aircraft be ready?

[Aitken] The prototype of the plane will be available at the end of this year or the beginning of next year, and marketing will be possible by the end of this century, the beginning of the year 2000, or in seven years.

[AL-SHARQ AL-AWSAT] What about the [economic] offset program (the economic and social projects parallel to the defense deals being implemented with Saudi Arabia as part of the al-Yamamah project)?

[Aitken] We think Saudi officials are content with the results of the offset program. Prince Fahd Bin-'Abdallah, who played a major role in the program, expressed his satisfaction with the program with respect to its progress, and he told me that himself last month. So far, offset programs worth 210 million pounds have been implemented, and we are delighted with the success of a 70-million-riyal joint venture between the British firm Glaxo and the Saudi Supply Company to produce medicines. It will start in 1994.

There are other offset projects on their way to completion, but the Glaxo is a model for the rest of the projects. Here too, offset resembles a rushing river whose momentum varies at various stages.

[AL-SHARQ AL-AWSAT] To what extent has your policy in the Gulf helped to get industry moving in your country?

[Aitken] British industry has benefited greatly from our Gulf policy, particularly in our defense relations with the Gulf states. There are at least 100,000 jobs in Britain that are directly related to British commercial and defense exchanges—half of these are in the defense sector—and there is industrial and technological development in the north of the country aimed at providing the most advanced equipment to the Gulf markets. The al-Yamamah project alone employs, directly and indirectly, about 50,000 Britons.

[AL-SHARQ AL-AWSAT] Has Britain lost jobs because of the break in relations with Iraq?

[Aitken] Some companies lost their business, and that led to some employees losing their jobs, but not a very high percent.

[AL-SHARQ AL-AWSAT] Will you tell us about the al-Yamamah project?

[Aitken] It is a government defense project, signed in 1985, that includes the supply of materiel and training in its use. British Aerospace is the primary contractor. In 1988, the project was expanded to enhance the capability of the Saudi Naval Forces. There are agreements related to practical defense application. Saudi Arabia paid 45 million pounds last April. This was an additional amount to support the project that includes the provision of equipment and related spare parts.

[AL-SHARQ AL-AWSAT] What about marketing Challenger II tanks?

[Aitken] We chose the Challenger II tank for the British Army, and it has proved that it possesses the features essential for the 21st century. There was a prototype of this tank that had trials in the Gulf states (Kuwait, the UAE), and I will preside over trials for this tank in Oman

during my visit. This tank proved its effectiveness in the region, which prompted officials to express their desire to obtain it, especially as Challenger I was a success as well.

[AL-SHARQ AL-AWSAT] What about the defense agreement between Britain and Kuwait?

[Aitken] The agreement did not specify the type of equipment needed, but it determines a structure for defense relations between the countries in the coming years.

[AL-SHARQ AL-AWSAT] Are there non-Gulf Arab markets?

[Aitken] We have a very successful export plan, but our defense policy imposes responsibility upon us. For many reasons, we were cautious in terms of the type of arms we would supply to non-Gulf and other Arab countries. Some Arab countries obtain their equipment from other sources, and others have limited defense needs. In general, we are prepared to supply any Arab country with defense materiel if it does not conflict with our general defense policy, which is concerned with the maintenance of the security and well-being of the region.

We learned lessons from the experience of our past relations with Iraq (the supergun), in order to make sure that our defense equipment would not fall into the hands of officials who could misuse them. We are coordinating with the United Nations to make sure that our supply of arms to any country is consistent with internationally accepted treaties.

[AL-SHARQ AL-AWSAT] Has Iran tried to obtain British arms?

[Aitken] Every now and then we get signs from middlemen expressing Iran's wish to obtain British military equipment. But we deal with these signs with extreme caution, and we have no plans to export military equipment to Iran.

[AL-SHARQ AL-AWSAT] Are there plans to build joint military industries with the Gulf states?

[Aitken] At the present time there are many facets of cooperation in this field, and there are ideas for cooperation being proposed in the field of assembly plants, including some bilateral projects, in the offset program. I cannot give more details now because military industries in the East are still in the preparatory stage.

[AL-SHARQ AL-AWSAT] What is your role in the British-Saudi Parliamentary Society?

[Aitken] I founded this society in 1974 and obtained the support of the then Saudi ambassador in Britain for the idea of strengthening the political and parliamentary links between the two countries. I felt from the beginning the need for the presence of British parliamentarians explaining the Saudi position to their colleagues in the British House of Commons. I remained chairman of this

group by annual election until this year, when I was appointed minister. The legislation of the House of Commons forbids a member of Parliament from heading a parliamentary committee and working at the ministerial level at the same time, and Member of Parliament Robert Hicks was elected in my place.

The society was formed as a bridge of cooperation between the two countries. King Fahd visited us in 1989. He was the first Saudi king to visit the House of Commons. We have also arranged the visits of Saudi ministers and officials in the last 20 years.

### **Iranian Islamic Group Reestablished in Cairo**

93AF0024A Cairo AL-AHRAM WEEKLY in English  
3 Sep 92 p 2

[Article: "Bridging Islamic Divide"]

[Excerpt] A religious establishment, dedicated to forging a rapprochement between Sunnis and Shi'ites, the main branches of Islam, is back in action. Doaa El-Bey interviewed an Iranian theologian who visited Cairo to reactivate Dar Al-Taqrīb.

'Abdollah Qomi, an Iranian scholar and secretary general of Dar Al-Taqrīb (Rapprochement House) is visiting Cairo to reactivate the establishment, dedicated to promoting a reconciliation between the Sunni and Shi'ite branches of Islam.

The House was established by 'Abdollah's father, Mohammad Taqi Eddin Qomi, in 1947, but froze its activities when Egyptian-Iranian relations deteriorated following the 1979 Islamic revolution in Iran.

"The Dar is against proselytizing," Qomi told AL-AHRAM WEEKLY. "It is not one of its functions to spread Islam, but to resolve the problems facing the Islamic community—mainly the mutual mistrust between Shi'ites and Sunnis."

Qomi said he is not working for a complete unity between the two Muslim groups but towards rapprochement. "Let us aim at things which are attainable: rapprochement, and not unity," he said.

The Dar was inspired by the Qur'anic commandment, "The believers are brethren. Make peace among your brethren and fear Allah so that you may be shown mercy." This provides room for religious groups from various Islamic countries to talk to each other and thus accept each other, Qomi said.

"Sunnis and Shi'ites should not be afraid to hear each other's views, discuss them, analyse them and even criticise them. A dialogue between them is best, particularly since both groups agree that the root of their differences is political," Qomi said.

The Sunni-Shi'ite rift dates back to the early days of Islam. The Shi'ites believe that 'Ali Iba 'Ali Ibn-Abi Talib, the Prophet Muhammad's cousin, son-in-law and

the first young convert to Islam, had every right to be the Prophet's successor as Caliph. They contend that Abu-Bakr, 'Umar and Othman, the three Caliphs who led the Islamic nation in succession before 'Ali, were usurpers. The Sunnis do not subscribe to this view.

The assassination of 'Ali Ibn-Abi Talib and the martyrdom of his two sons, Hasan and Husayn, only served to strengthen the Shi'ites' belief and their allegiance and dedication to their descendants, who are also the descendants of the Prophet Muhammad.

"The three Caliphs are dead, also 'Ali and his sons. Whatever we do or say, we can never restore 'Ali or his sons to power or to life," Qomi said. "The difference is political. So we can talk, agree to differ, but should always remember that the difference is not religious but political." [passage omitted]

The Dar's activities came to a halt following the Iranian revolution of 1979 and the outbreak of the Iraqi-Iranian war in the following year. Diplomatic relations between Egypt and Iran were broken off and Sheikh Mohammad Qomi left for Paris.

In 1990, Qomi sent his son to Egypt to reactivate the Dar, but the father died soon afterwards. The son, 'Abdollah Qomi, visited Egypt in July and again this week to announce the Dar's official reopening and to promote its objectives.

### **Report Sees Restructuring of Arab Economies**

#### **Jordan, Tunisia, Bahrain**

93AE0004A London AL-HAYAH in Arabic 24 Sep 92  
p 10

[Text] Dubayy—The Arab Institute for Investment Guarantee said that during the last few months a large number of Arab countries witnessed intensive activity to restructure the national economies through the application of economic reform programs that varies in their comprehensiveness, progression, and efficient implementation from one country to another. However, most of these programs are similar in aiming at economic reform by concentrating on liberalizing commercial activities; freeing the market forces, which are guided by the law of supply and demand in the various fields of production, services, and trade; and reducing the government's role in economic activity.

In its report, the institute said that reform programs concentrate on liberalizing the local currency, abolishing currency control, and freeing foreign trade, along with giving the private sector a bigger role in trade activity and tax reform and creating financial markets or developing existing ones, abolishing commodities subsidies, and repealing obligatory price fixing of products.

The programs provide for privatization, beginning with a direct sale to the public sector enterprise, then participation in its ownership, and finally giving this enterprise considerable financial and administrative independence and seeking to manage it using private sector concepts. The programs also call for encouraging investment through legislation that grants many privileges, guarantees, and exemptions, which, on the one hand, create active constituent cadres that are the recipients of investments, or, on the other hand, create opportunities for private local and foreign investment in fields that were reserved for the public sector.

#### Jordan

The institute said that during 1990 the Jordanian Government launched economic reform programs and began evaluating and developing them regularly, with the aim of resuming growth, achieving economic balance, liberalizing foreign trade, freeing interest rates, and developing the financial market. It also sought to create the necessary climate for reactivating the private sector's role, increasing investment opportunities, and boosting national exports.

The government reorganized and restructured the banking institutions and provided greater liquidity for the institutions that faced some difficulties. The government has also completed drawing up a new bill to regulate money changing and to amend the banking and currency control laws.

Two directorates were established last year within the Ministry of Industry's framework to replace the directorate of industrial development. One directorate carries out work relating to the industrial register and the development of industrial activity in all areas, and the other encourages investment. This directorate will implement the law to encourage investment in a manner that will serve the investment objectives and attract local, Arab, and foreign capital.

The procedures necessary to complete official transactions by investors in the industrial register and the commercial register have been simplified so that they do not take more than one day to complete.

On the legal level, a new investment bill has been drafted. It provides for granting several privileges, such as five years of tax exemption for an investment project, with the provision of carrying forward losses to the exemption years; providing adequate data regarding the various sectors; subsidizing exports; and exploring remunerative investment opportunities. The law provides for treating Arab and foreign investments the same as investments made by local investors in any project, whether it is an investment independent of local capital or in partnership with it. The "offshore" companies system began operating last year.

The government announced that it has begun implementing a program for the sale of some public sector companies to the private sector. Steps have been taken to

change the Royal Jordanian Airlines into a public stock holding company to which countries and several Arab and foreign investment institutes may subscribe. This is in addition to the public sector and the Jordanian investors, provided that the government will keep 8 percent of the capital. Some 51 percent of the shares will be floated in Jordan, and the rest will be offered for subscription by foreign investment companies. The telecommunications enterprise has also been offered for subscription by the private sector. The government has also announced its intention to privatize public enterprises that are operating in the fields of tourism and information.

#### Tunisia

It was announced in Tunisia last year that preparations are under way for the 1,000-day program for the liberation of the national economy, which will separate the management of public sector companies from the state's ownership of them. It also provides for restructuring some of the companies and selling some others. This is in addition to lifting the remaining barriers that impede investments and fully liberalizing prices and trade. Resolutions were issued last year concerning reducing the customs tariff and stopping payment of the value added tax on commodities sales. The program also calls for activating the banking and finance system. Some finance and banking companies have actually begun increasing their capital.

It is recalled that Tunisia began implementing a comprehensive economic reform program in 1986. This has led to a clear change in Tunisia's economic course, according to a report published by the IMF in mid-1990.

According to the Tunisian Government's announcement, 70 percent of the prices have been liberalized at the production stage and 30 percent at the distribution stage and 70 percent of imports, particularly of production equipment and semimanufactured material, as well as some other consumer material. This is in addition to establishing the value-added payment and offering other privileges in order to encourage investments in the tourism, industrial, and agricultural sectors.

Early on, Tunisia began implementing a comprehensive privatization plan, under which more than 75 percent of the public sector companies that generated losses have been turned over to the private sector through 1991. The government has also laid plans for the structural reform of the remaining companies, under which wide powers were granted to their managing boards and their activities made subject to market laws. This process involved restructuring 109 agricultural institutions, covering more than 131,000 hectares of land; 67 agricultural cooperatives; 12 agricultural complexes; and seven government companies. The Tunisian Government decided to establish a data bank to provide comprehensive information about projects and enterprises that are candidates for privatization.

**Bahrain**

On 8 July 1991, the government issued a decree that had the force of Law No. 13 to amend certain provisions of the commercial companies law. The amendment allows non-Bahrainis to establish companies and own all of the stock, provided that the aim of these companies is to establish industrial installations or Bahraini headquarters for their activities with regard to the goods they produce or the services they offer. The law also provides that stock-holding companies should be limited. The amendment empowers the minister of commerce and agriculture to exempt the companies from a percentage of the capital allocated for the Bahrainis, if the entire capital or most of it is brought to Bahrain for investment in industrial projects or is owned by Bahrainis. The minister may also exempt companies from holding their board meetings and their general assembly meetings in Bahrain, provided that provisions of the commercial companies law are adhered to.

As part of the government's efforts to encourage Bahraini businessmen to invest in the industrial sector and to provide incentive for foreign investments to come to the country, the Ministry of Development and Industry began preparing to adopt the system of ready-made factories and building a number of such factories in the industrial area, particularly in Sitrah industrial zone. The Ministry of Development and Industry, the Ministry of Finance and National Economy, and the Ministry of Commerce and Agriculture have, as part of this plan, have unified their efforts to promote Bahrain as a regional center for the distribution of goods. An international office has been created for this purpose that will publicize the services and incentives Bahrain can offer to foreign companies and to contract partnership with foreign investors.

**Algeria, Iraq, Libya, Morocco**

93AE0004B London AL-HAYAH in Arabic 25 Sep 92  
p 10

[Text] Dubayy—The Arab Institute for Investment Guarantee said in its report, the first of part of which was published yesterday by AL-HAYAH, that the reform programs that the Arab countries implemented in the past years focused on liberalizing the national currency and the abolition of currency control. The following is the second part of the report:

**Algeria**

In Algeria, the government adopted a comprehensive economic and financial reform program aimed at reforming the economic situation and establishing a free economy in the country. The government adopted several resolutions and measures in this regard aimed at liberalizing imports, exchange rates, and local commodity prices and adopting monetary and financial policies capable of curbing inflation.

Government companies have been given independence and control of their budgets and production activities. Government subsidies to state institutions have been terminated; unprofitable and economically inviable companies have been disbanded, and new fields of trade have been opened for foreign companies. Foreign companies are to be allowed to deal directly with the Algerian market through fully owned subsidiaries and companies or in partnership with local companies and parties. This is aimed at creating competition for the national enterprises and boosting their productivity and competitive capabilities. A large portion of Algerian imports have been freed from currency restrictions, and Algerian companies and citizens will be allowed to directly import large quantities of commodities from international markets and pay their cost with hard currency.

The government has established a new structure for customs tariffs that includes a major reduction in the tariff on the import of raw material. Algeria has also applied to join GATT.

The Algerian National Assembly approved on 26 March 1990 a draft law on encouraging foreign investment. It allows foreign banks and financial establishments to open branches in Algeria. The new law gives the Financial and Credit Council responsibility for foreign currency flow and allows direct investments to create job opportunities and technology transfers, which were restricted to the state. The new law states that capital, revenues, earnings, interests and other funds relating to investment that were transferred from abroad may be repatriated.

The parliament has approved a bill that allows foreign companies up to 49 percent partnership in new oil fields. A bill has also been submitted to parliament to reform in the tax system and reduce taxes on company profits from 50 percent to 42 percent, to 20 percent for companies operating in the oil industry, and to 10 percent for companies operating in the building or navigation sectors or in the case of reinvesting profits in Algerian businesses.

On 11 May 1991 a company for promoting international trade was established to develop and encourage investment and trade through partnership funds and enterprises and groupings with common interests.

**Iraq**

In 1989 the Iraqi Government announced a policy of economic openness, giving the private sector a larger role. Perhaps the most important thing achieved in this field was lifting restrictions on imports and exports by issuing Law No. 13 of 1989, according to which importing commodities and goods from all countries is free of customs tariffs and other dues.

On the banking and finance level, the Revolution Command Council [RCC] issued decision No. 142 of 21 May 1991, which authorized the Iraqi Central Bank to allow the establishment of private banks that would be in the

form of stock-holding companies. In April 1991 a stock exchange was created for the first time in Iraq's history, the Baghdad Stock Exchange. The law that established the market defined its aim as organizing and activating dealing in stocks and diverting national savings to fields of fruitful investment. Market operations are to be confined to secondary market transactions.

The RCC issued decision No. 280 on 18 July 1991, legislating the industrial investment law for the public and mixed sectors. It vests the power to define the rules concerning the establishment of industrial projects in the Directorate of Development and Industry. The law provides that the minimum cost of machinery and equipment for the project should be 100,000 dinars. The law provides that the natural or legal person applying for the establishment or ownership of an industrial project should be Iraqi.

The law provides for many privileges and exemptions, the most significant of which is a 10-year exemption from all taxes and dues, whether for new projects or for existing ones. It also provides for additional exemptions and incentives for industries that supply the auto industry and strategic and export projects.

Opportunities have been made available for Arab companies to participate in Iraqi projects, including means for the investment of Arab capital. The state conceded the agricultural sector and the services sector to the private sector. Companies implementing projects in Iraq are exempt from customs tariffs, particularly production projects that reduce reliance on imports, save foreign currencies, increase Iraqi exports, and meet the Iraqi citizens' need for capital and consumer goods.

The Iraqi Government has offered Arab investors and businessmen free land and many facilities if they wish to build first-class hotels in various Iraqi cities. These facilities include the right to transfer foreign currency abroad and the freedom to establish and manage hotels throughout the duration of the contract. At the expiration of the contract, the hotel and all of its installations will be turned over to the Iraqi Government.

The Iraqi Government has decided to set up a committee to monitor Arab investment. The committee will set targets for Arab investment, announce investment opportunities, and prepare lists of projects available for Arab investors.

The government continued to implement the privatization program it launched in 1988. More tourist installations have been offered for sale to companies established for this purpose and to whose capital the government contributes 49 percent. The government will take no part in management of this operations. This is in accordance with the decision to liquidate tourist establishments. According to the privatization program, the government's share in more than 70 companies in the tourism, textile industries, and light food industries have been sold.

## Libya

In the past two years, the Libyan Arab Jamahiriyah witnessed a major trend toward restructuring the national economy and encouraging private sector participation in various industrial activities.

On 18 June 1992, the General People's Congress issued decision No. 487 for 1991 [dates as published] concerning executive regulations relating to Law No. 8 of 1988 on reorganizing the economy activity with a view toward enabling natural and legal persons to engage in economic activities in many fields. The regulations define the conditions under which licenses can be obtained and activities may be carried out.

In order to encourage the citizens to get involved in economic activities, the General People's Congress on 25 March 1991 issued Resolution No. 264 for the 1991 defining the steps and measures to move an employee from public service to production. This is in implementation of Resolution No. 1225 for 1991. The People's Congress took a series of measures to boost private sector activity, whether individually or in partnership, in various economic sectors, including commercial banks. This is in addition to providing financial facilities to citizens who wish to do so. A sum of 300 million Libyan dinars has been allocated to implement this program. The Libyan Central Bank has been charged with this task. The available funds are to be distributed among the various sectors at the rate of 30 percent for agriculture, 25 percent for light industries, 25 percent for building and construction, and 20 percent for other activities.

It has been decided to provide employees who leaves public service in order to establish a production or service company, to participate in partnerships, or enter into partnership with production or services companies the necessary licenses and permits to import machinery, equipment, and other materials required for production worth 5,000 annually per individual and 10,000 per individual who enters into a business partnership with other former public-service investors. It has also been decided to offer 3,000 in loans per individual, to be increased to 5,000 if he enters into partnership with other financiers from the public service.

In the trade sector, it has been decided to allow import-export activity through joint companies. This activity is to be carried out through a bartering system, partnership, or family-based production business, and by those who have craftsman, industrial, or professional licenses. Individuals in these categories are allowed to import with the currency of both countries [exporter and importer] if the import is from the Arab countries.

The People's Congress had earlier issued decision No. 40 of 1990, which establishes an exporters' register at the Council for Export Development to record the names of exporters of national products and commodities and those engaged in the transit and reexporting businesses. This decision defines the categories involved as installations, general production companies, partnerships, and

popular production companies and individuals licensed to carry out business activities.

Within this framework, industrial companies are allowed to distribute their products directly, provided that sale prices shall be fixed in accordance with the price control law.

The year 1991 saw the beginning of a plan to transfer public sector enterprises to the private sector. The General People's Congress issued decision No. 1224 of 1990, which transferred the ownership of some national companies to the private sector. A central committee has been set up to transfer the capital of these companies.

Stock-taking and evaluation of the companies to be sold began as of 17 August 1991, after the laws on public ownership that do not allow the sale of those assets have been amended. Mu'ammar al-Qadhdhafi announced on 28 October 1991 that transfer of public sector ownership to the people will begin. He said that ownership of production, industrial, agricultural, and tourist facilities and all that exists on Libyan territory will be transferred to the Libyan people.

#### Morocco

The Kingdom of Morocco began implementing an economic reform program in the mid-1980's in cooperation with the IMF [International Monetary Fund] and the World Bank. The World Bank report issued at the end of last year lauded the achievements accomplished within the framework of the reform program, including liberalization of trade, lifting price controls on commodities, reducing subsidies for commodities, increasing prices of agricultural products, completing tax collection reform, and maintaining balance in most economic deficiencies. The report says that thanks to these measures there has been no drop in growth and that Morocco has achieved the best growth rate in the community of debtor countries. Morocco is currently preparing to take new measures concerning the endorsement of the dirham's convertibility and lifting controls on currency exchange, after restrictions on borrowing have been lifted and interest rates have been liberalized.

With regard to the program for public sector reform, implementation of the second stage of the program was started last year. It is based on dealing with the sector's problems and with the question of the state's indebtedness to the public sector companies. The cost of this stage is estimated at \$300 million. It is to be noted that Morocco is implementing a comprehensive privatization program involving 113 companies.

One of the most significant development in this regard is the establishment of a special ministry for foreign investments. The ministry's task is act on behalf of the investor and carry out the formalities concerning the project's relations with various government departments. Several measures aimed at improving the investment climate

also have been taken, such as liberalizing currency transferred for investors and foreign residents, and, on 5 July, the parliament endorsed the law on off-shore zones.

In January 1990, the Moroccan Government canceled the "Moroccanization Law." Thus, every foreign investor can establish a company without a Moroccan investor as a partner. The government also took the necessary measures to simplify administrative procedures and arrangements relating to investment in the various sectors, particularly those concerning the issuing of tax exemption certificates for value added payments. This applies to equipment, machinery, and basic goods for industrial, mineral, and tourism investments. The facilitating measures also included making the system of entering into contract with the government in order to enjoy the advantages of investment laws, voluntary in all sectors and in all parts of the Kingdom of Morocco. The government has also announced that it has allowed Moroccan banks to invest funds deposited with them by foreigners in foreign currency in international financial markets. The process of investment in free currency has become free of all restrictions.

#### GCC To Act in Oct To Stabilize Currency

92AE0665A London AL-SHARQ AL-AWSAT in Arabic  
7 Sep 92 p 9

[Article: "GCC Finance Ministers To Set 'Joint Stabilization' of Currency Rates"]

[Text] Dr. 'Abdallah al-Quwayz said that the Gulf Cooperation Council [GCC] countries have agreed to hold a joint meeting in October 1992 in Riyadh to agree upon joint stabilization of Gulf currency rates. The meeting will be attended by the GCC finance ministers and governors of central banks and monetary agencies.

Speaking in Abu Dhabi yesterday, after a meeting of the governors of the Gulf central banks, al-Quwayz said that the meeting's goal was to reach a solution on the stabilization of exchange rates, in order to arrive at an acceptable formula. Al-Quwayz pointed out that the member states mutually wished to increase coordination with regard to Gulf currency rates. He emphasized the fact that these currencies are exchanged in GCC countries and accepted as means of payment in banks, hotels, and currency exchanges. He said that this desire existed now more than at any time in the past.

Al-Quwayz said there were different points of view concerning mutual stabilization, pointing out that, legally, four Gulf currencies are connected by special drawing rights, while the rate of exchange of the Omani rial is pegged to the U.S. dollar, and the Kuwait dinar is connected to a special basket of currencies, including the principal currencies comprising the biggest part of Kuwait's foreign trade. Dr. al-Quwayz refused to give an estimate of the time required to reach an agreement, but he did say that the technical committees formed to study the matter have concluded their studies, and only implementation remains to be done.

Dr. al-Quwayz said that reaching mutual stabilization was a necessary step forward for the creation of a unified Gulf currency, referring to the fact that, according to the implementation schedule of the Unified Economic Agreement, the unified currency must be established by the beginning of 1997.

Apart from the matter of establishing stabilization, Dr. al-Quwayz said that the governors of the GCC central banks also discussed the question of permitting the opening of national bank branches among the member states. A group of principles have been drawn up in this regard, and a technical committee is scheduled to convene to discuss these principles.

These principles include licensing and supervisory measures for the banks and whether this supervision would be by the central banks of the parent countries or by the countries of the central banks that will host the branches.

Al-Quwayz said that allowing national bank branches to open would be governed by a legal commitment cited in Article 8 of the Unified Economic Agreement, which emphasizes equal dealings for GCC citizens with regard to various economic activities. The principles also include technical questions related to determining the branches' capitalization.

Concerning the subject of adhering to the Basel Committee's standards with regard to banking cover, al-Quwayz said that most GCC banks have assets that are in line with those principles, and that GCC countries are not afraid of the Basel Committee's technical standards, in terms of maintaining a level of financial cover appropriate to competitive requirements with other banks.

However, al-Quwayz said that the governors of the GCC central banks have agreed among themselves to resume liaison with the Group of 10 concerning its standards of classification for countries with high banking risks, since the Gulf states—with the exception of Saudi Arabia—are included on this list.

He said that the GCC states that have been cited for high banking risks have reserves, a level of income, and a banking system that makes them better than some of the countries that drew up the classification.

He pointed out that there are contacts with some European countries and the United States to reach an agreement to amend the risk standards established by the Basel Committee.

Dr. al-Quwayz said that the Gulf central bank governors also discussed preparing a single Gulf speech to be delivered at IMF meetings. This would be the first time that GCC countries have a special speech other than the unified Arab speech.

Al-Quwayz said that the reason that the GCC countries are preparing a unified speech is that the GCC nations have special and unique interests, both in terms of capital and liberalizing the international economic system, in addition to their concern that new taxes not be

imposed on energy. All of their issues are special, and the GCC nations do not want to be pushed into the priorities of the unified Arab speech. Dr. al-Quwayz said that the governors' discussions also included a review of international economic and monetary conditions in light of the dollar's decline in value and the reflections of that on rate of exchange levels in the GCC.

On another level, al-Quwayz confirmed that the subject of the Gulf program for Arab development will be presented at the meeting scheduled for 13 September 1992 in Doha. He pointed out that this program is no longer among the jurisdictions of the GCC Secretariat General, since a council has been especially formed for it. Al-Quwayz explained that it is incorrect to say that the Gulf Development Program for the Arab Nations will subject its assistance to the supervision of the IMF. However, he did make it clear that the program might use the mechanisms that the IMF uses to accomplish its tasks.

Al-Quwayz denied that the meeting of the governors of the Gulf central banks will deal with the effects of the dollar's decline on Gulf savings and financial surpluses.

#### Implications of United Europe for Maghreb

93AF0055A Rabat L'OPINION in French 23 Sep 92  
pp 1, 3

[Article by Houria Ait Kaci: "What is the Maghreb's Future in the Face of the Maastricht European Union?"; first paragraph is L'OPINION introduction]

[Text] *The victory—albeit a very slight one—on Sunday by French supporters of the Maastricht Treaty is again leading observers to wonder about the future of relations between the Maghreb and Europe.*

What will be the economic, political, and social implications for the Maghreb countries when the Single Act of 1985 takes effect on 1 January 1993?

The Single Act calls for the elimination of borders among the 12, the introduction of a single market, and the establishment of a European central bank and a single currency according to a timetable that is to set the seal on European economic and monetary union no later than 1 January 1999.

Observers of the Maghreb scene emphasize that in contrast to the European entity that has been under construction for over 40 years despite all kinds of ups and downs, the Maghreb, even while its necessary unity is being loudly reaffirmed, is in dispersed order and showing itself to be in a very fragile economic and social situation.

The admitted need to build an economic Maghreb as a necessary step toward balanced negotiation with the EEC does not seem to have led to convincing results despite the many conventions signed by the Arab Maghreb Union [UMA] (about 50 so far).

That being the case, is it not true that the European Community, whose market of nearly 400 million consumers makes it the largest market in the world and a power competing with the U.S. and Japanese giants, will make short work of the Maghreb market? That is the question being asked.

What the Maghreb economies will have to fear, in particular, is increased protectionism on the part of the EEC, which is their largest trading partner, in connection with the products we export to Europe, because those same products will be traded within the single European market with no restrictions, just as textiles and agricultural products are.

Even the GSP (Generalized System of Preferences) and the proposal to establish a free trade zone between the two shores of the Mediterranean do not seem to be overcoming those concerns, to which is added concern over the fact that East Europe is continuing to draw off all investments and all financial aid to the detriment of the Maghreb, especially now that the EBRD (European Bank for Reconstruction and Development) has been established.

The same observers also worry about the danger that the more or less long-term objective of European unification (comprising the 12 and the former East Europe) will be achieved to the detriment of the Maghreb.

But Europe, and its southern part bordering the Mediterranean in particular, has obvious geopolitical reasons for dealing with a stable and prosperous Maghreb with which it is linked by ties of cooperation and partnership, because the Maghreb is an unavoidable trading partner as far as Europe is concerned.

It is that idea that has guided the thinking of the group of "five plus five" (the five UMA countries plus Italy, France, Spain, Portugal, and Malta), a group that has unfortunately achieved so little in the way of results.

From the political and social standpoint, some Maghreb analysts are wondering whether the elimination of borders among the 12 will not mean the closing of Europe to the Maghreb and an increase in racism and unemployment for emigrants—all of it in an atmosphere of "fear" regarding skillfully cultivated terrorism and fundamentalism.

## PALESTINIAN AFFAIRS

### Marxist Platform Splits From PDR

93P40022A Jerusalem AL-FAJR in Arabic 14 Oct 92  
p 2

[Text] Bethlehem—The Marxist platform of the Palestinian Democratic Rally [PDR] issued a political statement at the beginning of this month, October, announcing its separation from the PDR and its organization as an independent cadre. According to the statement, this is because of a lack of agreement within the

PDR and a lack of serious action in the organization, which helps to achieve neither intellectual and organizational unity nor a common will. In its statement, the Marxist platform provided the general outlines of its position on issues related to the political talks.

### Papers Discuss Referendum in Territories

#### Editorial Supports Idea

93AE0021A Jerusalem AL-QUDS in Arabic 24 Sep 92  
p 9

[Editorial: "Those For, Against Referendum"]

[Text] In view of the faltering sixth round of talks between Palestinian and Israeli negotiators, the absence of any tangible progress on substantial issues, and the disappointment of the Arab parties, particularly the Palestinians, at the stand of Rabin's government—which does not differ much from the Likud with respect to Israel's withdrawal from the occupied Arab territories and recognition of the Palestinian people's legitimate and national rights—chief Palestinian negotiator Dr. Haydar 'Abd-al-Shafi has voiced his support for holding a referendum in the occupied territories on whether to continue in the "peace process" cosponsored by the United States and Russia.

Although Palestinian opinions vary on whether a referendum should be held, and despite the fact that Dr. 'Abd-al-Shafi's backing for the idea reflects his eagerness to maintain a sound relationship between the Palestinian negotiators and the Palestinian masses, supreme national interests require that this matter be given more consideration. This is because we have entered into the talks with Israel through a decision by the Palestinian political leadership, which was given authorization at the meetings of the [PLO] Central Council and the Palestine National Council before the Madrid peace conference convened. The question of our participation in the peace talks was not put to a referendum at the time. This means that the Palestinian delegation went to Madrid, and later to Washington, by a political decision.

Although taking any important step concerning the delegation's function must be subject to a similar political decision, we are not opposed in principle to a referendum to be held during circumstances that could serve the supreme national Palestinian interests. We are ready to support a referendum of this type if we know in advance the issues or subjects that the Palestinian people would vote on and as long as this referendum is not interpreted to substantiate the imaginary division between the Palestinians "inside" and "outside" the territories.

The above-mentioned reservations about holding a referendum on the "peace process" at this stage, however, must not diminish the importance of going back to the Palestinian people before signing any agreement or treaty with Israel. These reservations also must not be

taken as an excuse for excluding the masses from the political decisionmaking process during the course of the negotiations.

### Activists Polled

93AE0021B Jerusalem AL-FAJR in Arabic 22 Sep 92  
pp 1, 11

[Article by 'Abd-al-Salam Musa: "Views of Personalities and Key Figures in Gaza Strip About Idea of Popular Referendum"]

[Text] Gaza—Chief Palestinian negotiator Dr. Haydar 'Abd-al-Shafi's statement that he does not oppose holding a popular referendum when an agreement is reached with the Israeli side has elicited varying reactions among citizens in the Gaza Strip.

Our Gaza correspondent explored the views of a number of personalities and key figures in the strip on this subject. The following views emerged:

Lawyer Furayj Abu-Madyan, a member of the negotiating delegation and head of the lawyers' association in the strip, said:

"I think the idea of a referendum has come up, and it ought to take place—but not about the peace process. There must be a referendum of the Palestinian people about the essence of the agreement that is reached. The Palestinian people are the source of the strength of the peace process from beginning to end. Therefore, any agreement in Washington or anywhere else must be reached by the Palestinian people with all of its groups and all of its parts, and they must be polled about it. If the Palestinian people agree to approve any agreement that results from the negotiations, they are the people whose guidance must be respected in the matter, and they must be polled about the agreements we may reach in the future. However, whether or not the process is to continue is another subject. Dr. Haydar and his comrades and brothers abroad can decide without a referendum when these negotiations should stop and when they should proceed. There is a legitimate authority, and it must be respected. However, the fundamental legitimate authority has to do with the agreement that the negotiators reach. If the agreement is suitable, it ought to be proposed to the Palestinian people. If the people say yes, it will be yes. If they say no, it will be no." Abu-Madyan expressed his belief that the senior negotiator's statement coincided with a crisis in the negotiations and the reaching of a dead end: "Dr. Haydar does not want a referendum on the peace process itself, because the peace option is strategic for the Palestinian people."

Dr. Mahmud al-Zahhar, one of the most prominent figures of the peace trend, said:

"Dr. Haydar knows that in the real world one cannot bring such a question to a vote. Who will arrange the referendum process? Who will guarantee that the ballot

boxes are not falsified by certain parties to misrepresent the will of the people? It would be an opportunity to divide the community and raise doubts. No one can guarantee the honesty of the process. Under whose auspices would it take place? Israel's, of course! So the idea is utterly unworkable."

Lawyer Yunus al-Jarw:

"In principle, many countries use referenda as a means to ascertain public opinion. In principle, there is no objection to there being a referendum about something clear and definite. It should be conducted by a neutral party, so that the referendum will be based on practical, objective principles. Such referenda are a good way to determine the attitudes of public opinion and then adopt policies based on these attitudes."

Al-Jarw also said: "Is it to be a mass referendum in which the entire public participates, or a sample study? Is it to be a referendum of those at home and those abroad? These matters must be decided before the proposed referendum is held."

Walid (Zaqut), a member of advisory committee to the negotiating delegation, said:

"The peace negotiations began in Madrid on the basis of a resolution of the Palestinian National Council (PNC) and the Central Council. The Palestinian delegation was formed with the approval of the PLO, specifically the Executive Committee. The members were named with the approval of a majority of the members of the Executive Council. Based on these facts, I think that the Palestinian delegation at this stage represents the Palestinian people, inasmuch as the PLO represents the Palestinian people. It was the PLO that appointed the delegation, and a majority of members in the National Council approved the decision to participate in the peace talks. Thus the delegation has acquired clear and concrete legitimacy. This delegation represents Palestinian forces on the ground. It represents important national figures—specifically, Dr. Haydar, who has a distinguished history in the struggle."

(Zaqut) added: "If the opposition tries to make it seem that the delegation does not represent the Palestinian people despite the decision of the PNC, I believe that any referendum will be in favor of the delegation. Because the delegation represents the PLO, it will obtain a majority of the votes of our people. Yet because of the circumstances of the occupation and the impossibility of conducting an accurate referendum, there is no clear possibility of a democratic election, so that we might hold this referendum. To confirm the legitimacy of the delegation, we must refer to the PNC and the Central Council."

Lawyer Rafiq Abu-Dalfah said:

"Certainly, Dr. Haydar Abu-Shafi is a man of the people and a person in touch with the masses. He sees what others outside the occupied territory do not see. His view

may contain much frankness and plain speaking that displeases many. My view is that any agreement or treaty that the people do not back in a general referendum could be obliterated. The French referendum on the Maastricht treaty is an indication of this. No individual or person can take responsibility for weighty matters and the fate of a nation without consulting the people's opinion."

Released prisoner Zahir al-Afghani:

"To comment on the statement of the head of the Palestinian delegation about holding a referendum, there really is no objection to it inasmuch as it would confirm that the people are the essence and foundation of matters and thus that we appeal to legitimate authority in the areas of democratic and political party activity. My view has been the view of the people. We are committed to it and will defend any decision that the people make."

#### **Territories Industrial Council Announces Goals**

93P40023A Jerusalem AL-FAJR in Arabic 13 Oct 92  
p 3

[Text] West Bank and Gaza Strip—The formation of a Palestinian Higher Industrial Council was recently announced, including 35 members from the West Bank and Gaza Strip.

Yesterday the council issued a statement outlining its goals of establishing and supporting industrial projects in the occupied territories, including the greatest possible number of freed prisoners in these projects, and offering scholarships to outstanding students and aid to needy families.

In its statement, the council also announced its commitment to establishing a committee for information and guidance. Its mission would be advertising and information planning to serve the industrial and national arenas, issuing and disseminating educational and training publications in cooperation with specialists in educational fields and the General Workers' Union, placing a public educational library in every factory and corporation, and holding cultural and intellectual seminars for workers and employers with the aim of building greater bonds between them and dealing with all public issues.

#### **Authorities Agree to Palestinian Bank**

93P40020A London AL-QUDS AL-'ARABI in Arabic  
21 Oct 92 p 5

[Text] Ramallah—The founders of the first domestic Palestinian commercial bank in the West Bank have obtained agreement in principle from the authorities concerned. It will be a joint-stock company under the name "Palestinian Commercial Bank" and will have a capital of 10 million Jordanian dinars.

The founders are a group of businessmen, industrialists, and merchants in the West Bank. Among them are: Suhayl Khalil Jad'un, al-Hajj Khalid 'Abd-al-Hamid

al-'Attari, Fu'ad Qattan, al-Hajj Fadl al-Natshah, Michel Ya'qub Tannus, Samir Muhammad Abu-Shawish, Jalil Faris Zabbanah, Riyadh Muhammad Munir al-Sulh, Hani Raji Nassar, and Ricky 'Abd-Rakb.

Legal registration procedures are now being completed in preparation for submitting shares for public subscription.

### **IRAQ**

#### **Rumors See Growing Friction Among Ruling Elite**

93AE0047A London AL-SHARQ AL-AWSAT in Arabic  
6 Oct 92 p 4

[Article: "Even Though Still Confined to Newspaper Pages and Salon Whispers, Signs of Struggle Among Forces and Baghdad Regime's Weakening Grip Are Growing"]

[Text] Nicosia, from the Strategic Studies Center—Reports arriving from Baghdad speak of abnormal movements and polarizing activities that are being reflected, at one level, in the rehabilitation of a number of merchants, some of whom were executed and some of whom were sentenced to long prison terms nearly two months ago, and, at another level, in numerous articles written for Baghdad's AL-JUMHURIYAH by Barzan Ibrahim al-Tikriti, Iraqi President Saddam Husayn's maternal half brother.

At the first level, these reports say that the execution of merchants on charges of monopolization and manipulation of the people's food and the measures emanating from this action have created a broad controversy within the circles of the regime itself and that a faction within this regime has begun to say that "certain influential centers of power," motivated by the wish to control and dominate foreign trade and to accumulate greater wealth, supported these executions.

There is a prevalent belief among Iraqi circles that the criticism addressed by BABIL, the mouthpiece of an Iraqi Government tendency that is led and represented by 'Udayy, Iraqi President Saddam Husayn's son, is tantamount, in fact, to an attempt to deflect the accusations that say that this tendency stood behind the plans to implement the executions with the aim of totally controlling and monopolizing foreign trade.

It is well known that 'Udayy has expanded the scope of his involvement in commercial enterprises during and since the Kuwait occupation crisis, that he has taken control of the majority of Iraqi firms and hotels, and that he owns the fleet of luxury buses that link Iraq with the outside world via the Iraqi-Jordanian borders.

It is reiterated among Iraqi businessmen living in Cyprus, Greece, and some European capitals that foreign trade activity has become almost completely controlled by 'Udayy, that he has created private firms for this purpose, and that he has opened offices in a number of

Arab countries. These offices are managed by some of his men who have taken up work in the economic sectors as their profession.

Moreover, the same reports say that the article written by Barzan Ibrahim al-Tikriti in the 5 July 1992 issue of AL-JUMHURIYAH, whose chief editor is Sa'd al-Bazzaz, who is close to the decision-making centers, created great internal clamor and led to a split between two tendencies in the government: a tendency that demands that the next phase be a phase of self-isolation and a tendency that believes that the policy embraced by the regime is a sound policy that, for numerous geographic, political, and economic considerations, must not be abandoned.

Barzan Ibrahim al-Tikriti, who had held the position of Iraq's permanent UN delegate in Geneva and who from there ran a number of commercial operations jointly with some European firms, said in the article mentioned above that the "Arab-Israeli conflict is on its way to being solved, regardless of how it is solved. People do not ask now how it will be solved, because they have weakened and grown tired of war." He added: "What is required of Iraq now is to devote itself to putting its national affairs in order, and I do not believe that any fair-minded person can blame Iraq or question it about anything in this regard."

What observers find interesting is that Barzan al-Tikriti has written these articles for AL-JUMHURIYAH, not for BABIL, which is owned by his nephew 'Udayy. These observers believe that this might be a sign of a raging conflict within the ruling family over a number of the country's issues.

It has been customary for Barzan and 'Udayy to move in the same direction and to be allies against another alliance that was formed by the president's cousins who regained the positions they had lost in past periods following the cease-fire in the Kuwaiti liberation war.

Whereas the prevalent impression is that Iraqi President Saddam Husayn has a neutral stance toward the current polarization between those who call for devoting attention to Iraq's domestic affairs and those who persist in the past tendencies, some circles believe that he is the one who stirs these interactions, for internal and external reasons. But this does not negate the fact that some people view these developments, which continue to be confined to newspaper pages and to salon whispers, as a clear sign that the Iraqi president's grip has perhaps begun to shake and that this shakiness is what has led to the emergence of podiums and centers of power in the pyramid of the regime atop which Saddam Husayn sits.

## JORDAN

### **Hamas Seminar Opposes Negotiated Self-Government**

93AE0018A Amman AL-DUSTUR in Arabic 23 Sep 92  
p 14

[Article by 'Abdallah al-Qaq: "Jordan Is the Land of Mobilization and Steadfastness"]

[Text] Engineer 'Ibrahim Ghawshah, official spokesman of the Hamas movement in Jordan said that Jordan is "the land of mobilization and steadfastness. That is why we want to preserve every inch of it, just as we want to preserve every inch of Palestine." In a seminar titled "Is the Intifadah for Autonomy or Settlement" held two days ago at the Islamic Action Center, Ghawshah said that the intifadah cut short any solution aimed at a peaceful settlement. "We refuse to end the intifadah in the occupied Arab territories because there are people who are attempting to abort it. These attempts shall fail and will never be successful." Mr. Ghawshah talked about the obstacles to autonomy and settlement, saying that they include many topics among which are:

- Weak achievements for a peaceful settlement: A full year has passed since 3 October 1991, and nothing has been achieved yet. This is in addition to the strong disappointment of the Arab nation and the Palestinian people toward these negotiations.
- Some people thought that the intifadah would have ended within a year of the Madrid Conference. "I assure you that the intifadah will continue and will remain an obstacle for those who think that the settlement will lead to our surrender.

"I assure you that as the intifadah is on the verge of its sixth year, it has set a precedent in the history of revolutions. Our sons and brothers who have sacrificed their blood and lives to return to their homeland or for the Palestinian people to regain their rights." Ghawshah stressed that Hamas is presenting itself as an alternative to the PLO and that it has agreed to attend the Palestine National Council in order to participate in the Palestinian decisions. Hamas requested to be democratically represented on the council.

In response to comments from the audience, Ghawshah said that 10 Palestinian groups had refused the Madrid Conference, autonomy, and all its mechanisms. These groups requested the Palestinian negotiating delegation to withdraw from the conference and to put an immediate halt to the negotiations. He added that there will be a demonstration against autonomy on the 23rd of the month.

He said that what is being offered by the cosponsors and the American President is administrative elections. He said that Israel is unfortunately occupying most of the Arab territories and has build settlements in most of the areas, to the extent that the land to be negotiated upon is not more than 8 or 10 percent of the Arab land. "This means we are asked to abandon about 90 percent of the Arab territories."

Ghawshah added that the Zionist entity refuses the right of the Palestinian people to return to its land and refuses its right for self-determination. This means that there is no political or national content to this settlement. He said that the continuation of the inter-Palestinian conflict affects the intifadah. He called for an immediate halt to these conflicts among brothers and a unification

of efforts to confront the Zionist enemy. He also called to curb the phenomenon of killing the collaborators because of its repercussions and dangers.

In conclusion, he said that Hamas movement will continue its struggle against the Zionist enemy until the Arab lands are liberated. He also expressed his eagerness to continue the intifadah so that the next generation can liberate the usurped Palestinian land.

#### **Four More Parties Register With Ministry**

93AE0018D London AL-HAYAH in Arabic 3 Oct 92 p 5

[Article by 'Abdallah Hasanat: "Amman: New Parties Begin Registration Requests"]

[Text] Amman—Political parties began filing their registration requests with the Jordanian Ministry of Interior as the first step toward legally becoming active for the first time since the mid-1950's. Four parties filed registration requests on the first day of the registration period, which started yesterday.

These parties are: the Arab Socialist Ba'th Party (a faction that supports Iraq), the Jordan National Alliance, the Jordanian Communist Party (Ya'qub Zayadin Faction), and the Arab Socialist Ba'th Party (the Unified Alliance).

Interior Minister Jawdat al-Subul said that his ministry would declare a party as established once the party meets all of the legal requirements. Last July, the Jordanian Assembly passed a political parties law. The law requires each party to have no less than 50 founders of legal status. Each party should declare its objectives and its means to achieve them, as well as its financial sources. Each party shall respect the Constitution and political multilateralism and shall not accept instructions or financing from abroad.

The secretary general of the Jordanian Communist Party, Mr. Ya'qub Zayadin has submitted a list of 71 founders who represent all areas, professions, and elements. The founders include Jordanians, Palestinians, workers, farmers, women, and youth.

Another communist party, led by Mr. Isa Madanat, is currently holding its congress in order to submit its registration request to the Ministry of Interior. Previous attempts to unify the two parties have failed.

Lawyer Ahmad al-Najdawi, leader of the Ba'th Party faction that supports Iraq, said that he had submitted the names of 75 members when he registered his party two days ago. Al-Subul and Salamah Hammad, under secretary in the Ministry of Interior and head of the Party Registration Department (a new department) have met with al-Najdawi and his colleagues, who submitted the first registration request.

Due to the large number of parties, more than 60, that intend to participate in the political life, registration is expected to last for a number of weeks. These parties are

following one of four fronts; Islamic, traditional, national, and leftist. For months, there have been attempts to unify parties that have common or similar objectives. There have been obstacles to unifying the leftist parties, while many of the mainstream parties are progressing toward unification. The Muslim Brotherhood, the largest political power in the Jordanian Assembly, has declared that it has unified with the Islamic Action Front, which includes many of the independent and moderate Islamists.

The partisan characteristic is expected to overwhelm the parliamentary elections in the summer of 1993. It is not yet clear whether these elections will be held according to the election law of 1989 or according to new rules. It is worth mentioning that this law divided Jordan into constituencies and gives quotas to tribes and minorities.

#### **Government May Resign To Run in Apr Elections**

93P4A0016A London AL-HAYAH in Arabic 22 Oct 92 p 4

[Report by Salamah Ni'mat]

[Excerpt] Amman—The Jordanian Government, under the premiership of Sharif Zayd Bin-Shakir, is expected to resign at the beginning of next April in preparation for the parliamentary general elections, since it appears that more than half of [the government's] members will be running for parliamentary seats.

Official sources told AL-HAYAH that the 10 deputies in the ministry [presumably the Cabinet] affirmed their intention to run in the coming elections, in addition to six or seven other ministers. This would make continuing the government after replacing the ministers very difficult. [passage omitted]

#### **Liberty Organization Head on Mission, Funding**

92AE0363B Amman AL-LIWA' in Arabic 19 Aug 92 p 21

[Interview of 'Azzam Al-Tamimi by Mahgoub Ahmad Al-Zuweiry; place and date not given]

[Excerpts] Mr. 'Azzam Al-Tamimi, president of Liberty Organization for defending democracy and peoples' freedom of choice, visited Amman recently. AL-LIWA' interviewed Mr. Tamimi because it was anxious to learn about any Islamic effort for the defense of democracy and peoples' freedom; and to get acquainted with Liberty's goals and functions.

[AL-LIWA'] When was the notion of establishing this organization initiated and why at this time?

[Tamimi] The notion was initiated in February of this year, specially after the Algerian people's right to democratic selection was clearly defined. As a consequence, this organization was initiated to defend democracy in Algeria, specially since the West's stand had been unfair. The West's stand had its roots in its desire for Western

minorities to remain in Algeria. In addition, the West had profound fear of Islam. This fear goes back to the era of the Crusades, the West's ignorance of Islam, and the fact that Muslims were unable to depict Islam correctly. Besides, there were no organizations to spread Islam throughout the world in a civilized manner. The organization started by communicating with the media and politicians in both Britain and the States. It requested them to support the Algerian people's right of choice by way of democracy; that same democracy that the West itself was advocating. Within this framework, we held a seminar on Muslims in North Africa and Democracy that was attended by both Western and Arab thinkers.

A visit to Algeria and Tunisia was arranged for four employees of the U.S. Congress, so that they could verify reports about human rights violation and the deprivation of the people from practicing their democratic rights. This American delegation submitted a report to the Human Rights Committee in Congress in which it recommended the necessity to end human rights violation in Tunisia and Algeria, and the necessity not to ignore attempts at stopping democracy. It also recommended that the American administration deal with the reality of the surge of Islam as a political power, with which it should coexist. We have proceeded along the same course in the British arena.

In the media field, the organization attained credibility with a number of international media organizations, which are considered experts on human rights and freedom issues in North Africa. In addition, the Amnesty International resort to us to verify reports and information coming out of Algeria, for instance. The organization is currently endeavoring to widen its coverage to include all of the Islamic world. [passage omitted]

[AL-LIWA'] The Islamic world is full of crises regions. Islamic rights are taken away from Muslims, and Muslims are oppressed. What are your comments on the hot issues? Let us start with Bosnia-Herzegovina?

[Tamimi] The case of the Bosnia-Herzegovina crisis is a very persistent one. Liberty Organization tried to initiate a project for the defense of the rights of Bosnia-Herzegovina citizens. We found, though, that the volume of work to be done was too big for our resources, especially since this issue has had large media coverage. The European people have sympathized with armed intervention to protect citizens there. States and governments have, however, made their own calculations. It is also significant to mention in this regard that the American secretary of defense, Mr. Dick Cheney, when asked about the States' and Europe's intervention in the Gulf region and their reluctance to intervene in Bosnia-Herzegovina, answered: "We had our interests in the Gulf, and there is no oil in Bosnia." Liberty Organization, in collaboration with Islamic organizations operating in Europe, have put their efforts together to alert Western public opinion about the necessity to put pressure on representatives and decisionmakers to rescue Bosnians. The organization arranged a trip for Bosnian

Salim Beakovich to meet the Speaker of Parliament and top officials to provide them with the latest news and developments in Bosnia.

[AL-LIWA'] Undoubtedly you are following events in the Afghan arena. What is your stand?

[Tamimi] First, I want to assure you that we have no reliable documented information from Afghanistan, because of the fighting there. I believe that the differences among mojaheddinn groups are nothing new. Many such differences were there before Afghanistan's liberation. What has been going on now has been ignited by elements supporting sedition. I imagine that had those elements refrained from interfering in Afghan affairs, reconciliation and unity would have been achieved.

[AL-LIWA'] How do you evaluate the Western depiction of the Sudanese model?

[Tamimi] The West is against the Sudanese experiment for the following reasons:

1. Islamic conversion is not acceptable to the West. The West has hatred for Islam.
2. The role of Sudanese opposition present there. It attempts to distort the picture in Sudan through rumor-mongering and false news.
3. The conspiracy of some Arab regimes with guerillas in southern Sudan to prevent stability in Sudan, especially with the Sudan's honorable path towards Islam.

However, in spite of all that, the Sudanese have attempted to open dialogue channels with the West such as Dr. al-Tarabi's visit in which he was attacked. Dr. al-Tarabi's visit made a positive impression in political and media circles in the West and in America.

[AL-LIWA'] How do you fund your work, and what are the sources of funding for performing these activities?

[Tamimi] When the idea, which was the result of discussions among Muslim intellectuals, was considered, the late representative Ahmad Al-Azayidah played a role in encouraging it and tried to convince some wealthy people to accept it. These donated different sums of money that sufficed for two years. After four months of work we saw that those wealthy people, along with others, were willing to continue consolidating the project in light of its benefits. We intend, God willing, to establish a special fund for financing the project, and open the door for receiving donations from this project's supporters.

[AL-LIWA'] How do you evaluate yourselves in light of the short experience that you have had so far?

We feel that we have filled a gap in both areas of media and politics. We are happy to see many organizations express their appreciation to the existence of organizations or individuals who are able to comment on and clarify some current events. For example, when British

TV requested from us names of Muslim intellectuals with whom they could discuss unclear issues related to democracy, liberalism, secularism and women's rights, we, in coordination with the educational program of British TV, prepared a six hour program entitled "Islam as a religion and a way of life."

[AL-LIWA'] Would you like to add anything more?

[Tamimi] I would like to seize this opportunity and express my deep regret regarding what some individuals who are involved in the field of Islam do, intentionally or unintentionally, to hurt Islam. We would like to tell those who claim that democracy is the same as blasphemy and flattery, that democracy has been assaulted by this false pretext. In other words, the pretext that claims that if Muslims were to assume power, they would stand against democracy, because democracy and Islam could not coexist. So what could coexist with Islam. Is it tyranny and hunger for power? Islamic intellectuals and religious scientists are urged to write about this subject and establish their ideas on it so that Islam would be innocent from accusations of tyranny, the prevention of freedom and the suppression of nations.

In closing, I would like to note that we noticed and felt great admiration of the democratic experiment in Jordan in our dialogues with many European intellectuals and in America. This experiment could become an example to be followed and could lead us to develop a thoughtful democracy that would strengthen our societies in many areas.

It should be mentioned that the Liberty Organization is headquartered in London and that its founding committee consists of 20 members from different Arab and Islamic countries.

#### Editorial Explores Christian-Muslim 'Apprehensions'

92AE0636C Amman AL-RIBAT in Arabic  
25 Aug 92 p 2

[Editorial by Sameeh Al-Mu'ayta]

[Text] Writing about issues related to religion is a very sensitive subject. However, this sensitivity should not be a hindrance to describing realities or clarifying matters, especially since we are entering a new political era, during which everybody is requested to deal with all dimensions of political democracy.

Generally speaking, the Jordanian arena has been characterized as being moderate, and as having interaction between different social forces. On the whole, Jordan has not experienced any serious incidents involving people from different religious affiliations. The number and seriousness of all such incidents fell within the normal state of affairs. In point of fact, Muslim-Christian relationships in Jordan can be considered a good Jordanian political format exemplifying national unity. Unfortunately, some noninnocent groups in Jordan, financed by

and affiliated to outside forces, are trying to cause fractures in national unity all over the Arab and Islamic nation.

In this context, I have to refer to Western Christian vengeance, which was reflected in the horrible incidents that happened during the Crusades, imperialistic, and mandated eras. I believe that the terrible massacres in Bosnia-Herzegovina will not be the last of such incidents. This vengeance depicts the Western Christian spirit and not that of the majority of Arab Christians. It is when we refer to Crusaders' vengeance, therefore, that we exclude from that reference a big faction of Arab Christians, who offered much to the Arab nation. There are indeed wonderful examples of Arab-Christian national affiliation and self-sacrifice for the nation and for its existence, throughout old and modern history. The Arab nation in general and Jordan in particular are witnesses to wonderful examples of nationalistic and responsible actions from Arab Christians.

We have been accustomed to reading about the fears and reservations of our Christian brothers from Islamists and the spread of Islam. Would our generous friends allow us to speak our mind about some of the fears and reservations of Muslims from Christians. This dialogue is in line with the atmosphere of frankness and clarity to which I referred. We hope to be able to hear from the Christians what can dispel some fears and clarify stands.

1. We respect the fact that Jordanian Christian sects have spiritual and religious ties to international religious institutions, such as the Vatican. We, nevertheless, fear that those ties would acquire political dimensions, which may change relations between Christian religious institutions in Jordan and the mother institutions abroad from a spiritual to a materialistic relationship, serving other policies and goals.

2. Both Muslim law and the Jordanian constitution have preserved for Jordanian Christians their freedom of worship. However, there is some fear that some religious and social institutions may be having missionary functions. In this context, I do not refer to making conversions from Islam to Christianity, but I also refer to converting from Islam to atheism and obsession with earthly desires.

3. There are reservations from many people regarding some secretive and noninnocent activities by some Christian organizations and institutions. If these activities were confirmed, they will be a source of worry, as well as a cause for reactions with bad consequences.

At the same time that some Christian writers are fair and objective, others, during the last few years, have had fanatic and abhorring undertakings. Nevertheless, Christian institutions have neither condemned nor reprimanded this latter group of writers, which leads some people to believe that these abhorring undertakings represent a communal state of mind, as well as a steady

trend. Christian and Muslim reprimands of abnormal and narrowminded individuals would create confidence and the feeling of safety.

Describing those and other fears, although a sensitive issue, does not translate to either accusing anyone or confirming the existence of such undertakings. Yet, we would like to make different Jordanian Christian sects aware of it, so that they can work out solutions to expel such fears. If that is achieved, Jordanian national unity would be strengthened, and we would move from the closed-room-discussions stage to one of objective and frank dialogue. Through this dialogue, we can clarify many issues, and expel any doubts and hallucinations from the minds of many.

Although the last decade saw the retreat of Christians into leftist, communist, and nationalist parties under the pressure of self-preservation against the spread of Islam and in fear and greed, there is no excuse for those to continue to interact under such pressures. The large presence of Christians in these parties might continue, but it must be for intellectual reasons rather than for sectarian reasons and the attempt to find channels to confront Islamists. We do not believe that any fair Christian would not know the view of Islam and the position of Muslims towards Christians. The picture drawn by imperialist Western entities of Islam's position towards Christians was a distorted one, and aimed at drawing Christians to the Western Crusader camp in confrontation with their Arab nation and their Arab Muslim civilization.

On the other hand, Muslims in general and Islamites in particular are urged to clarify their positions and try to find serious and deep dialogues in order to remove any doubts and to attempt to reach a Jordanian model that exemplifies the relationship between Muslims and Christians in which all labor toward a national aim. This model would be followed at the regional and international levels.

Finally, we hope that these words provide a good-natured spark for calm objective dialogue so that we can all face the great challenges that confront our country and nation.

### Study Estimates Electricity Demand Until 2010

93P40019A Amman AL-DUSTUR in Arabic 14 Oct 92  
p 2

[Excerpts] Amman, AL-DUSTUR—The Technical Planning Administration of the General Authority for Electricity has done a study on anticipated electricity demand in the kingdom. [passage omitted]

The study anticipates that demand for electricity will be:

- 723 megawatts per hour [Mw/hr] in 1993;
- 766 Mw/hr in 1994;
- 813 Mw/hr in 1995;
- 865 Mw/hr in 1996;

- 921 Mw/hr in 1997;
- 973 Mw/hr in 1998;
- 1,022 Mw/hr in 1999;
- 1,081 Mw/hr in 2000;
- 1,335 Mw/hr in 2005;
- 1,569 Mw/hr in 2010.

### Editor Says State Sincere, Hesitant on Democracy

93AE0018B Amman AL-RIBAT in Arabic 1 Oct 92 p 2

[Article by Samih al-Ma'ayitah: "Does the State Want Democracy?"]

[Text] Although three years have passed since the democratic trend, large sectors of the population are still convinced that democratic life is just a summer cloud that will pass. Even if it lasts for a year, it will not be permanent. Some even imagine that democracy is nothing but a trap set by the state for the political and party powers to contain them politically and also for security reasons.

The danger of such ideas and imaginations is that they are well received by the political parties and powers, from the extreme right to the extreme left. Some of those who promote these ideas are the leaders of these parties and powers and also the leaders of the state. We do not get these ideas from the two sides' press releases and official statements. This talk is circulated in private meetings and behind closed doors. Is the state serious about adopting the democratic alternative?

1. One of the most important characteristics of the Jordanian political system is its eagerness to deal rationally and in a balanced way, both internally and internationally. It is also eager to maintain its credibility in domestic and international dealings. That is why it is possible to say, as a matter of principle, that the state is serious about adopting a democratic path and building a government based on political and intellectual multilateralism. The eagerness of the state's leadership to stress this stance may not be aimed at misinforming, but is aimed at stressing its seriousness and eliminating doubts. Although these statements have a role to play, active participation could accomplish this objective in a much shorter time.

2. Even though we are convinced that the state is serious about adopting a democratic path, it wants to form it within measures affected by its fears and doubts and a lack of confidence in some powers and parties. This is in addition to the effects of the campaigns of caution that are voluntarily launched by friendly and sisterly powers, organizations, and countries. This could be clearly noticed by observers of the state's interaction with the growth of the democratic trend through the process of strengthening this trend through laws and regulations. That is why the political parties law that is about to be enforced was, in the first form presented by the government to the parliament, a true expression of some of the characteristics of the future political system that the state desires.

The government fought to pass a law that would realize its objectives using its legislative members, its influence, and other sources. The same thing applied to the State Security Court law through which the state tried to keep some of its martial authorities. The state has the right to promulgate laws that guarantee the security of the country and individuals and stop any attempt to tamper with the interests of the citizens.

On the other hand, citizens have the right not to be treated as criminals until they are proven innocent. The premise is that all citizens are loyal and devoted to their countries unless proven otherwise. Citizens have the right to be respected and be treated as full partners in all aspects of the political life. The state is serious but hesitant. It wants to outline democratic life in accordance with its own doubts and also the line of thinking that developed during decades of martial and military rule.

3. State ministries, agencies, and institutions, especially those in direct contact with the issues of freedom and multilateralism need time to adapt to the new life. We have to bear in mind that they have lived for decades according to martial laws, and their officials have formed their mentalities accordingly. In the three years since the beginning of the democratic trend, we have yet to feel a sincere effort on the part of the state to achieve harmony between its organizations, ministries, and institutions, on the one hand, and the nature and requirements of the new era, on the other. Of course there are some achievements, but they are not up to par. Citizens still face practices in some state agencies that make them doubt its credibility and seriousness in adopting the democratic alternative. What makes matters worse is that some agencies that have expanded their influence during the periods of injustice and dictatorship [passage censored in original text]. On the other hand, citizens, parties, and political powers are required to deal with democratic life as an alternative. They are required to build the strategy of their work on the premise that democracy and freedom are the rights of the citizens and not something that is granted by the state. If citizens, during past decades, have been deprived the right to freedom, free expression, and political action, it is their duty not to allow the state to deprive them of these rights because it transforms democracy to a daily practice and an integral part of the life of the society.

In conclusion, we think that the state is serious about its trend towards democracy, but it has yet to fully express this seriousness under many factors both local and foreign. This should not entitle citizens and political parties to doubt the seriousness of the state. We all have to cooperated to maintain the rights of the citizens and to realize security and stability for our beloved country.

## KUWAIT

### Deficit Estimated at More Than 2 Billion Dinars

92AE0588A London AL-SHARQ AL-AWSAT in Arabic  
12 Aug 92 p 9

[Article: "Kuwaiti Budget Deficit for 1992-93 2 Billion Dinars; Renewed Plans for Sale of 60 Public Companies"]

[Text] Nasir 'Abdallah al-Rudan said that the deficit in the 1992-93 budget will be 2.0038 billion Kuwaiti Dinars, half of the previous year's deficit. In a press conference he held yesterday on the 1992-93 budget, he noted that Kuwait's daily oil production is estimated at 1.3 million barrels. Calculating on an average of \$15 per barrel, the annual income from oil exports is estimated at 2 billion dinars, added to which are an estimated 218 million dinars in non-oil revenues.

He said that Kuwait is in the process of conducting studies to correct the structural breakdown in the Kuwaiti economy with the objective of transforming it from a single-source economy to an economy that relies on multiple sources of revenue. He did not define the nature of these sources even though he confirmed that the use of such fiscal policies as taxes and tariffs will reduce the burden of government spending even as the state continues to reinvest the income from its investments abroad and not add this income to the state's general revenues.

He went on to say that overall government expenditures reached 4 billion dinars, in addition to 221.8 million dinars for the Reserves for Future Generations, which must be provided according to Statute No. 106 of 1976, bringing the total deficit to 2.0038 billion dinars, which is less than half of last year's deficit of 5.436 million dinars.

Al-Rudan said that general expenditures dropped by 71.4 percent from the previous year despite the inclusion of 270 million dinars, which represented the interest on 5.6 billion dinars in hard loans at an annual interest rate of 6 percent.

He went on to say that it was clear that the banking sector was affected drastically by the Iraqi invasion. The debt of that sector increased from 2 billion dinars to 7 billion dinars after the liberation. The number of borrowers increased from 1,200, who were mostly a product of the Suk al-Manakh crisis, to 7,000 borrowers. This caused two problems for the banks: a lack of reserves to deal with emergencies and a lack of liquidity, which resulted in difficulties in dealing with large withdrawals made by customers to cover the costs of reconstruction and repairs.

He said that the state is aiming toward expanding the role of the private sector by allowing it to own and

manage public service organizations. Ministerial committees have been formed to determine which organizations are suitable for sale to the private sector. A list of 66 companies, wholly or partly owned by the government, has been submitted to the State Organization for Investments with the aim of selling 60 of them to the public and keeping only six. The committee is in the process of preparing studies to determine the proper timing for the sales and establishing equitable methods for distributing investments opportunities among the citizens while keeping the balance between the public and private sectors.

He explained that Kuwait's direct investments represent a little less than 17 percent of its total investments abroad and are primarily made in Spain. Direct investments represent more risky investments than indirect and long-term investments.

### Stock Exchange Said To Exclude Government Shares

92AE0662A London AL-SHARQ AL-AWSAT in Arabic  
10 Sep 92 p 10

[Interview with Minister of Trade and Industry 'Abdallah Hasan al-Jarallah by 'Urubah Barakat in Kuwait—date not given]

[Text] Minister of Trade and Industry 'Abdallah Hasan al-Jarallah said the government does not intend to offer its companies' shares for subscription, for fear that their prices might drop, which would affect the value of the assets of other investors. He said the government will receive applications for purchase directly from local investors, and the applications will go to the appropriate authority for study and consideration before they are approved in light of public interest.

In an exclusive interview with AL-SHARQ AL-AWSAT, al-Jarallah said the Kuwaiti stock market committee will decide at its meeting next week on a final date for opening the stock exchange.

He said the United States, Britain, and France are most interested in cooperating with Kuwait through the "offset" system, which would enable the utilization of foreign capital and modern technology in implementing vital projects in the country. The following is text of the interview:

[Barakat] More than once you fixed a date to open the stock market. Why has the date been changed? Is the stock market likely to be opened, given the [small] number of companies and banks registered.

[Al-Jarallah] The stock market was scheduled to open in September, and we intend to keep the promise. The Kuwaiti stock market committee will hold a meeting in mid-September to appraise the situation after only 34 companies have registered and completed the official documentation, including only one bank, namely the National Bank of Kuwait. It is known that the volume of

transaction in bank stocks represents 80 percent of the total stock market transactions, which constitutes a basic foundation. Still, we hope that the Burqan Bank and the Bank of Kuwait and the Middle East will issue their budgets and complete their registration for the stock market. If this does not happen, I believe that my colleagues in the stock market committee will make the appropriate and final decision on opening the market, after studying all the negative and positive aspects of the opening. It is inevitable that this vital economic utility should begin its activity now, in December, or at the beginning of next year. If it is feared that the share prices will drop, postponing the opening will not solve the problem. Why shouldn't we be optimistic and expect otherwise?

Still, I feel that what has been agreed upon will be carried out this month, regardless of the number of companies that have registered. If there is any desire to postpone the opening, it will not be later than the second week of October, because the citizens are preoccupied with the General Assembly elections. The announcement of the majority of the companies' budgets is a good sign. It is reassuring in terms of profits and production. Also, the government intends to keep the stocks it is holding and not offer them for sale or circulation in the market. We will give the citizens the freedom to buy and sell without any interference. We will also leave the prices to be subject to the laws of supply and demand.

[Barakat] Are there any specific conditions regarding the government companies that will possibly be transferred to the private sector, and is there a timetable for carrying the transfer?

[Al-Jarallah] The question of the 60 poor-performing government companies that might be transferrable is complicated because of the difference in the nature of each company and because of the market situation in general. As I have already said, the stocks of those companies will not be offered on the stock market. But if an investor or a group of investors comes forward in order to buy any company for an economically acceptable price, that is, a price compatible the current market prices, then the parties concerned, which are the General Authority for Investment and the Ministry of Finance, will consider the applications and make a decision on them according to the public interest.

The General Authority for Investment has a timetable for sale or transfer linked to the market activity, so that no sale transaction will lead to a sharp drop in prices and will not, directly or indirectly, affect the citizens' income or assets, even if the government may incur some losses or postpone the sale to a later date, be it one year or several years.

[Barakat] How do you expect the government to realize revenues from the sale of these companies to the private sector?

[Al-Jarallah] The principle of privatizing the economic sector basically aims at giving the public sector an

effective and direct role in economic activities. It is not aimed at making profits. The government is not interested in the question of profit as much as it is interested in relieving itself of the management of some companies and turning them over to the private sector, which is characterized by incentive and competitive factors. This, however, does not mean burdening the government with further losses in sales. Rather, the preservation of capital is the least requirement, like adopting the cost price as the basic price.

[Barakat] Six companies have not been offered for sale. Which companies are these, and what is the reason for putting them aside?

[Al-Jarallah] The companies that are exempted from sale are considered strategic companies and public interest demands that they should be kept, such as the Supplies Company (foodstuffs) and the Mills, Bakeries, and Live-stock Company, in addition to three strategic companies.

[Barakat] The general feeling is that there is an economic recession, for which there are some objective justifications, such as the disruption of lines of credit in local banks, the reduction in population, and a worldwide economic recession. Other justifications are considered subjective, such as refusal of the government to internationalize part of the capital in order to create demand for commodities and services. What is your comment?

[Al-Jarallah] Today's economic recession is a matter of concern for all the world countries, foremost the United States and Japan, down to the smallest country in the world. It is true that there is an economic recession in Kuwait, but it is only transient and temporary. Its reasons are many, some of which are foreign. The continued existence of the Iraqi regime threatens the political and security situation. It creates a situation of "wait and see" with regard to economic projects. Nevertheless, much of the expatriated Gulf capital has begun to be repatriated because of the drop in returns on investments abroad, on one hand, and those investments becoming the target of direct and indirect harassment in the markets, on the other.

In addition to the objective reasons, such as the drop in population and the lack of revenues because of the drop in purchasing power on the local market, the fall in real estate revenues, and the rise in the number of apartment vacancies, for example, the fact that several companies have stopped distributing dividends because of the large losses they incurred as a result of the war and the fact that most businesses have suffered as a result of the unjust Iraqi invasion—all of this has affected the economic activity and the movement of capital. This is in addition to an increase in the public budget deficit because of the interruption of oil production during the period of occupation and after it and the high cost of the liberation and reconstruction, all of which has led to the

reduction and streamlining of government spending with the aim of controlling deficit, which in turn leads to economic recession.

[Barakat] What are the government lines of credit for financing public revenues; what is the volume of these lines, and how many of them have been used?

[Al-Jarallah] All of the government lines of credit have been used for financing and rebuilding the infrastructure of the Kuwaiti economy. An example is the restoration of the telephone network, the electrical power network, and the water network. This is in addition to reconstructing and repairing government installations and importing the necessary equipment for them. Those lines have been used in an ideal manner in order to achieve the best possible results. The opening of lines for the industrial sector and the commercial sector will be under consideration after the implementation of the law on difficult debts is completed.

[Barakat] The offset system gives Kuwait the right to benefit from the countries it is dealing with. Which are the most important countries that desire to participate in this system? What is Kuwait's objective for using it?

[Al-Jarallah] The offset system is an excellent system. It serves the basic needs of the country with respect to financing and effective participation by foreign capital and Western technology [in the Kuwaiti economy]. Clear scientific basis have been laid down by the committee responsible for the system, which is attached to the office of the finance minister, in order to define the fields from which Kuwait will benefit by using the offset system.

We are trying to benefit from the experience of our sister Saudi Arabia, which has been ahead of us in this field and which is now seeking to operate it in collaboration with the private sector.

We will begin using the offset system in the oil, electric, and communications sectors as a first stage, in view of the tremendous amount of money that is going to be invested in these two sectors [as published] and given the fact that the mutual benefit system is new in Kuwait. It has been noticed that the United States, Britain, and France are the countries most interested in participating in the offset system in Kuwait.

[Barakat] You have decided not to allow direct sales at international fairs in Kuwait. This decision has been the target of much criticism, particularly in view of economic recession. What are your justifications for taking this decision?

[Al-Jarallah] The decision is not new. It has simply been redrafted with the aim of reorganizing fairs' activities, with the period of exemptions and irregularities that followed the liberation having come to an end. The objective is to protect the Kuwaiti citizen's needs at all levels.

This decision was basically taken to protect the Kuwaiti merchant and his interests. It is inconceivable that goods

exhibited in fairs are sold while those in stores remain unsold. Basically, fairs are set up to enable merchants to get acquainted with new types of products and to work out agreements with commercial agencies, as well as to establish a kind of cooperation between local and foreign merchants. Fairs are not intended to open our markets directly to foreign products, without the presence of a local merchant or middleman.

[Barakat] What are the ministry's most important achievements in terms of boosting the Kuwaiti industry since the liberation?

[Al-Jarallah] The industry recently realized considerable progress, with the industrialists showing initiative. The best evidence is the number of local goods manufactured for export abroad and the fact that that Kuwaiti industry has participated in the Damascus fair twice since the liberation.

In the ministry we have exerted the maximum possible effort to encourage local industry. We have officially approved 78 new industrial projects and the expansion of 13 existing ones, including the distribution of 70 industrial parcels of land, of which 62 have a total area of 173,000 square meters, and eight parcels of land for services, with a total area of 38,600 square meters.

#### **Oil Output To Increase to 2.5 Million Barrels**

92AE0614B London AL-HAYAH in Arabic 14 Aug 92  
p 9

[Article: "Kuwait Lost 1.680 Billion Barrels of Its Oil Reserves"]

[Text] Mr. Sulaiman al-Umani Deputy to the Kuwaiti Minister of Oil expects an increase in the volume of Kuwaiti oil production from the current levels of about one million barrels per day to 1.5 million barrels by the end of 1992.

He told AL-HAYAH that this rate of production is close to the rate before Iraq's invasion of Kuwait on 2 August 1992. He also declared Kuwait's intention to increase its production to 2.5 million barrels per day, which is the maximum it is allowed to produce. The official indicated that Kuwait will be discussing an increase of its 1993 production quota at the next OPEC ministerial meeting in November. He emphasized that in order for Kuwait to develop its production capacities and distribute production evenly in its fields it will require an increase in production to more than 2.5 million barrels per day. He went on to say: "The overall volume of Kuwait's oil reserves dropped considerably after losing about 1.68 billion barrels when the wells were detonated." He noted that the losses resulted from the fires, which continued for 280 days.

He said that the Arabian Oil Company, which is jointly owned by the Saudi and Kuwaiti Governments, is producing 300,000 barrels daily in the Khafji area of Saudi Arabia, while the Kuwaiti Oil Company, in partnership

with Getty Oil, is producing about 80,000 barrels per day of petroleum products for domestic consumption. He also said that, at present, the operation of Kuwaiti oil wells is being carried out by the government-owned Kuwait Oil Company with the assistance of foreign companies that were contracted to make the final repairs to the wells and distribution centers and install new pipelines and repair loading docks.

#### **Report Says Statements Imperil Economy**

92AE0613A London AL-HAYAH in Arabic 8 Aug 92  
p 10

[Article: "Official Kuwaiti Pronouncements Threaten Economic Security and Push Citizens and Residents To Dispose of Their Dinars"]

[Text] A report in the weekly economic publication AL-SHAL said that official Kuwaiti pronouncements threaten the economic security of the state, expose the country to real dangers, and are making citizens and residents dispose of their dinars, creating a shortage in foreign currencies.

The report said that these unjustified pronouncements share in causing the escape of capital from domestic investments that the country needs, even when such investment opportunities are theoretically feasible. The report reads as follows:

#### **The Stock Exchange**

The Minister of Commerce confirmed last week that the Kuwait Stock Exchange will start operations in September, which will allow trading in the shares of companies that have been re-registered. According to available information, we believe that 31 companies (25 Kuwaiti and 6 non-Kuwaiti) have been re-registered, which is about 60 percent of the number of companies that were registered before the invasion. The National Bank of Kuwait remains the sole re-registered bank. And while it is important to trade in its shares, the banking sector in general still remains very important because its shares represented about 80 percent of the shares traded in 1990.

The number of companies that have distributed or are planning to distribute dividends reached 14, representing about 45 percent of the total. Of these, two are giving stocks in addition to cash dividends.

The total of the cash profits that were distributed or will be distributed is estimated at about 53.6 million Kuwaiti dinars of which 48.1 million is from Kuwaiti companies and 5.5 million from non-Kuwaiti companies. Estimated losses from the invasion for these companies is approximately 139.1 million Kuwaiti dinars, of which 126 million were sustained by Kuwaiti companies and 13.1 million by non-Kuwaiti companies. The net profits of these companies before accounting for the losses is about 166.7 million Kuwaiti dinars and about 27.6 million

Kuwaiti dinars after accounting for losses. This is an average number and may vary from one company to another.

The total capital of the companies that have been re-registered is about 652 million Kuwaiti dinars, of which 479 million is the capital for Kuwaiti companies and 173 million for non-Kuwaiti companies. In attempting to estimate the market value of these companies, we notice that five of them had no market value in 1990, which implies that their shares were not traded in the first seven months of that year. The market value on 1 August 1990 of 22 of the original 25 companies re-registered is approximately 1,830 million Kuwaiti dinars, of which 53 percent belongs to one company, the National Bank of Kuwait. The market value at that time of four Gulf companies re-registered in Kuwait was about 98 million Kuwaiti dinars.

Initially we expect a surplus in the supply of shares, which will tend to depress the market values of 1 August 1990. After that time, the performance of these stocks will be mixed. Some will drop in value, however, share values in general may increase go up. The market value of these companies is linked to the financial performance of the country as a whole, which is linked to the management of fiscal policies. We expect that the continuation of present policies in the same direction will reflect negatively on the economic performance of the country, and the opposite may occur if there is an improvement in administrative performance.

#### Government Organizations and Construction Efforts

In general, the construction effort remains in need of wisdom and clear vision in its administration, which does not appear to be available at present. In fact, the presence of these qualities seems to diminish as the need for them increases. The occasion of the second anniversary of the invasion is a good example of that. Official declarations from the highest levels of government gave the impression that the country is in real danger. Such declarations would be justified if that was true, but that was not the case. In fact, we heard the opposite when the country was actually in real danger. If anyone should have cause to be concerned, it is Iraq, which faces dismemberment while its leaders talk about annexation.

The problem with such declarations is that they expose the economic security of the country to real dangers because they push ordinary people to exchange their Kuwaiti currency, creating shortages in foreign currencies. They cause the escape of capital from domestic investments even if such investment opportunities appear profitable and the country is in circumstances requiring such investments, and finally they create additional pressures on the rate of exchange of the dinar. To continue saying repeatedly that it is of no use to think about the economy when the entire country might be lost will only give the impression of the presence of dangers

that do not exist and lead to the loss of the country as a result of misunderstanding the true meaning of the concept of national security.

Thinking and spreading the idea that we are at such a degree of weakness will create the dangerous impression of the lack of security and stability in the country and will make our negotiating position with all parties very weak thus increasing their strength at our expense. All these parties have their costs, the majority of which is financial, which must be paid. The current financial situation in the country is unbearable, and the real danger to our national security, at least for the next 10 years, comes not from across the border but from the deterioration in the psychological and financial conditions resulting from administrative incompetence.

We believe that it is necessary to spread the feeling of security to reassure the citizens and encourage them to invest positively. Official pronouncements should reflect the real weight of events. Consideration should also be applied to secondary matters, such as the declarations by the Foreign Ministry regarding the Kuwaiti dinar, the discussions on the debt, the delay of several months for the government to comment on the situation on foreign investments, or the events in Spain and many other matters.

#### Coastal Free Trade Zones Studies Under Way

92AE0614A London AL-SHARQ AL-AWSAT in Arabic  
18 Aug 92 p 9

[Article: "Study for a Free Zone in Kuwait To Serve Iraq and Iran Following a 'Change in Circumstances'"]

[Text] Captain 'Abd-al-Rahman al-Nibari, the director general of the Port Authority, announced that the Port Authority of Rotterdam has completed a study on the economic feasibility for placing a coastal free trade zone in Kuwait. The study was submitted to the authorities for approval and implementation before the end of this year.

Capt. al-Nibari did not explain whether the study's conclusions were positive or negative. However, he said that the free trade zone project will start at a small scale and will be allowed to grow along with the economic and commercial activities in the region. Moreover, he said, companies and private commercial agencies will be allowed to open branches in the zone, which will be administered by an independent authority with representation from both the government and private sectors.

As to whether the Gulf area can absorb the increasing number of free trade zones after Iran's declaration of its intention to transform Qeshm Island into a free trade zone, al-Nibari said that Iran has a very long coast line and needs that cannot be accommodated by one free zone. Strategically located at the northern end of the Gulf, Kuwait is closer to northern Iran than Qeshm Island. This will give it a geographical advantage to serve the northern parts of Iran as well as Iraq, after a change

in the political situation there and the restoration of normal commercial activities, as in the past, when Kuwait was a vital center for re-export to Iraq.

The free trade zone project has been considered more than once in the past 10 years. Several studies and memoranda have been prepared, but for a long time Kuwaiti officials were hesitant to implement such a project due to the economical and political circumstances sweeping the region, particularly during the Iran-Iraq war. This gave the opportunity for free zones to be established and grow successfully elsewhere in the Gulf area. However, after the liberation of Kuwait and the political and economic opening with Iran, the need for a free trade zone have reemerged as a means to reinvigorate the export sector, which has been diminished. The decline in this sector has had an adverse effect on a large number of Kuwaiti merchants and the gross national product.

## MOROCCO

### Trade Expansion With Canada Detailed

93AF0012A Casablanca LA VIE ECONOMIQUE  
in French 4 Sep 92 p 6

[Interview with K.R. Higham, Canadian ambassador to Morocco; place and date not given: "Mr. Higham Sees 'Remarkable Growth' in Our Economic Relations"]

[Excerpt] Up to 1985, economic ties between Morocco and Canada were relatively modest. But since 1987 we have seen a significant increase in Moroccan exports to Canada, which have doubled from \$29.4 million [Canadian dollars] to \$70.5 million. What is more, Mr. K.R. Higham, Canada's ambassador to Morocco, said when we interviewed him that all signs point to further expansion of bilateral relations.

[LA VIE ECONOMIQUE] Since 1985, economic ties between Morocco and Canada have made remarkable strides in several domains. Mr. Ambassador, can you tell us about the trends in these relations?

[Higham] Economic ties between our two countries are relatively new. Up to 1985, trade between Morocco and Canada was very modest. But during the last seven years our relations have seen remarkable growth. For example, in addition to a higher trade volume, we have also noted diversification in the products traded. Canadian exports, long dominated by sulphur (80 percent), now include other products such as telephone equipment, lead, grains, steel, and paper. And Morocco's exports to Canada, primarily citrus fruits (70 to 80 percent), increasingly encompass other food products, as well as ready-made garments. But we are constrained to note that despite the efforts of both countries, there is still a trade deficit in favor of Morocco. That deficit is explained by the nature of the products traded. In effect, what Morocco imports from Canada is high technology, particularly in telecommunications. The presence since

1985 in Morocco of telecommunications giant "Bell Canada International" is partly responsible for this imbalance. But it should be emphasized that the two countries are making substantial efforts to reduce this deficit, notably by strengthening commercial ties. Analysis of our commerce since 1987 shows that Canadian imports from Morocco doubled between 1987 and 1991, rising from \$29.4 million to \$70.5 million. Moroccan imports since 1987 have remained relatively constant at about \$200 million.

[LA VIE ECONOMIQUE] Moroccan-Canadian cooperation extends into several different domains. What areas do you concentrate on in your relations with Morocco?

[Higham] Our objective is to increase Canadian private investment. The Canadian development agency, our instrument of action in this domain, encourages the private sector to come invest in Morocco. Our programs, no longer limited to the food industry; they're being reoriented to encourage Canadian entrepreneurs to invest in Morocco. The choice of this focus is justified by the growth your country has achieved in several domains that I believe should be of interest to the Canadian private sector. Up to now, it has been mostly small- and medium-sized enterprises coming to invest in Morocco. The majority are established in the telecommunications and plastics industries. We note, for example, the involvement of the Canadian company "Video de Montreal" in starting up the "2M" private television station, especially when it first went into operation. Recently a Canadian pharmaceuticals maker, APOTEX, entered into partnership with a Moroccan enterprise to manufacture medicaments.

But I should point out that we have a difficult job ahead of us here, because competition from other countries is very intense. As you know, Canada just signed a free trade agreement with Mexico, and two years ago a similar accord with the United States. So there is heavy competition, especially since the Canadian private sector is very interested in the Mexican market. Also, Canada's relations with the European countries and Asia are continuing to grow. As I see it, stimulating Canadian private sector interest in Morocco is a challenge. And I think your ambassador to Canada understands this. We are trying to attract Canadians to Morocco, and we have several ways of doing it.

We are working indirectly through Canadian banks and through the Moroccan community living in Montreal. In addition, the Canadian Embassy in Morocco frequently brings in special missions of various kinds, as well as businessmen.

[LA VIE ECONOMIQUE] Have you made progress in this domain?

[Higham] Most definitely, we have already had very good results. The proof is that several delegations have visited Morocco just recently. That is already an indicator confirming we are on the right path. Our Bureau of Canadian Cooperation in Morocco (BCCM) works to

put Moroccan and Canadian enterprises in touch with each other. In fact, we see cultivation of this kind of industrial partnership as the cornerstone of our efforts first to encourage long-term trading relationships and second to extend ties into other domains.

[LA VIE ECONOMIQUE] With regard to "know-how" transfer, are there any Canadian agencies that help Moroccan enterprises wishing to increase their exports on the Canadian market?

[Higham] Moroccan exporters are informed of Canadian market opportunities through our Canadian Trade Promotion Bureau (BPCC), a nonprofit organization financed by the Canadian International Development Agency (CIDA). The bureau works closely with accredited diplomatic representatives of countries interested in increasing their exports to Canada. [passage omitted]

### Steps 'Needed' To Ensure Honest Local Elections

93AF0036A Rabat L'OPINION in French 25 Sep 92 p 1

[Editorial by Mohamed Idrissi Kaitouni: "Reassuring the Citizenry"]

[Text] Communal elections incontestably are of vital importance for consolidating democracy at the local level, allowing citizens to get intimately involved in the management of their own affairs by electing municipal councilmen, and giving them the chance to reassert control periodically by ousting those who fail to perform, break their agreements, or fail to keep their promises.

But elections, if they are to accomplish these ends, must be totally transparent and aboveboard. Hence the necessity of providing conditions conducive to effective participation and constructive cooperation in the electoral process, which cannot unfold in orderly and honest fashion unless people have the utmost confidence in it, and that means first of all a sincere resolve to break with the practices of the past and the attitudes underlying them.

The local governing bodies that will issue from the electoral process now under way must prepare Morocco to enter the 21st century. They must be truly representative and credible if they are to take bold steps to prepare the future for the rising generations and restore the faith of citizens who are disillusioned by previous experiences and by the poor performance and mismanagement of municipal councils that were unrepresentative of the base and cut off from the masses.

The Moroccan people, who today have all the tools they need to make development and emancipation a reality, yearn for authentic democracy and the installation of representative institutions that accurately reflect their wishes, institutions that must be accountable to them at election time.

This means the elections must be free and fair, resting on solid foundations—the voter lists, in other words, must

be free of dead, absent, or fictitious persons—and not marred by those premeditated irregularities in flagrant violation of the law committed by some who still cling to their antisocial ideas and refuse to renounce practices and actions injurious to democracy and the good name of government employees.

To ensure the total neutrality of the bureaucratic machinery, voter lists tainted by flagrant anomalies must be revised, new voter registration cards must be prepared, and harsh punishment must be meted out to anyone who violates the law by resorting to illicit tactics or starting the campaign prematurely.

The citizens are in need of reassurance, and it will take concrete measures to prove to them the elections will be honest and transparent.

### Figures Show School Dropouts on the Rise

93AF0036B Rabat L'OPINION in French 23 Sep 92 pp 1, 4

[Article by Ali Benadada: "Behind the Statistics: Crisis"]

[Text] The figures and statistics presented by the Ministry of Education demonstrate with mathematical precision the attrition in the Moroccan education system.

No less than 153,414 students in the nation's primary and secondary schools and universities failed to graduate from their respective schools in the last academic year,

There were 526,000 new enrollees this year, but only 3,071 new classrooms were built.

At the press conference held yesterday (Monday) in connection with the opening of the new school year, Education Minister Tayeb Chkili presented a report on last school year and described steps his department has taken to meet this year's school and university needs.

The minister first of all said he was pleased the year in education had unfolded "in an orderly way and shown satisfactory results."

Of course, the objective is universal schooling, to meet the challenge of the 21st century.

At lower elementary level, 526,000 new students are enrolled this year, bringing enrollment in that category to 2,728,000.

At the end of last school year, some 260,000 students went on to higher elementary school [equivalent to junior high school], but 21,834 students failed to graduate and had to leave school without going on to the higher cycle.

Worse, the percentage of girls attending school is still below the level anticipated: only 42 percent nationwide last year. In rural areas, the percentage is even lower. According to the education minister, the emphasis this year will be on improving those rates, so that Moroccan

females, especially in rural areas, will no longer be deprived of this constitutional right.

Enrollment in higher elementary school this year is 862,300, including 261,200 new seventh-year enrollees.

Also, out of last year's 312,014 ninth-year students, 67,123 ended their schooling at that level, while barely 122,000 (39 percent) were able to go on to secondary school [equivalent to high school].

The situation is much the same in secondary school, with the attrition of 38,000 students who left without receiving their general certificate of education, compared to the 67,138 (less than twice the number of dropouts) who were awarded their diploma.

The hemorrhage is even more drastic at the university level. Though close to 20,000 graduated, more than 25,000 failed to earn their degree.

Under these conditions it is hard to see how Morocco is going to establish universal education, when the system works on the principle of "trying to fill the bathtub without plugging it." According to the education minister, 72 percent of eligible children enrolled in the first year of elementary school in 1991-92. However, in his opening remarks and in response to journalists' questions, Mr. Chkili acknowledged "there are still some glaring problems in the education sector."

In a subsequent edition, we will have more to report on Mr. Tayeb Chkili's press conference.

## SAUDI ARABIA

**Minister on Economic Opportunities, Cooperation**  
93AE0027A Jeddah AL-MADINAH in Arabic 3 Oct 92  
p 12

[Interview with Kazakhstan Minister of Finance Tuleubek Abdikadirov with Khalid Bahakam in Medina; date not given]

[Text] His Excellency Abdikadirov, minister of finance of Kazakhstan, said investment opportunities are open to Saudi businessmen in the areas of oil, gas, and light industries. In an interview with AL-MADINAH, he spoke of the many facilities his government is offering Saudi investors who want to benefit from the opportunities available in Kazakhstan.

The finance minister praised the aid that Saudi Arabia has offered various sectors of his country.

He lauded the strength of the Saudi economy in the various industrial and agricultural sectors, as well as on the local and international levels.

He talked about the importance of cooperation between Islamic countries and the establishment of an Islamic trade market and a unified currency in order to face major international blocs. He also discussed the role of

the Islamic Development Bank in strengthening development and trade between the various countries. The following is the text of the interview:

[Bahakam] We would like to discuss the economic situation in the Republic of Kazakhstan. How is it at present?

[Abdikadirov] In fact, the economic situation in the country is good, in view of the stability the country has been enjoying. I can tell you that we have numerous areas for economic investment, including oil, gas, iron, agriculture, light industries, clothing, and shoes. The state encourages any commercial project that will bring good returns for the country. The government has drawn up a future economic plan that is aimed at developing the economy in all aspects of investment. We have started laying down economic laws that are suitable for all investors.

[Bahakam] Recently you participated in the meetings of the board of trustees of the Islamic Development Bank. How do you view the outcome of these meetings?

[Abdikadirov] There is no doubt that the meetings of the board of trustees of the Islamic Development Bank are important for the Islamic member states. I can say that the bank has come out with numerous recommendations and resolutions that will serve the Islamic countries, particularly since the Republic of Kazakhstan regained its bank membership and resumed its activities after achieving victory. Islamic Azerbaijan has been accepted as a member, and I can say that this meeting was 100 percent successful. It has been agreed to increase the Islamic Development Bank's capital in order to bolster the development efforts of the bank's member states and the newly independent countries in southeast Asia, in addition to supporting the private sector's role in the Islamic countries. This is in addition to supporting food security projects and the development of communities in the Islamic countries. I would like to take this opportunity to express my thanks and appreciation to His Excellency Dr. Ahmad Muhammad 'Ali, the bank director, for the efforts he is making to develop the Islamic countries' economies through the bank. He has succeeded in concluding economic and trade agreements among the Islamic states. These agreements contributed to the development of these countries.

[Bahakam] Is it possible to establish an Islamic common market, and what would be the obstacles and what are the benefits which the Islamic world might reap from such a project.

[Abdikadirov] The Islamic people have become a significant force in the world community. Therefore, the idea of establishing an Islamic common market is a good one. At this stage, the Islamic states must try to establish trade bases between one another. We have seen several Islamic countries achieve solidarity and agree to establish several joint projects, such as the Gulf community and the Gulf market. This is a good beginning. We should bolster

our unity in all fields. This is a must, whether by establishing a common market or by other means.

[Bahakam] Don't you think that a unified Islamic currency would help to achieve economic integrity in the world currency markets?

[Abdikadirov] There is no doubt that establishing an Islamic currency would be an expression of Islamic unity and would create a kind of Islamic solidarity between the countries, because some of the Islamic countries deal with foreign currencies and foreign banks and establishments. But we can create this currency if all the facilities that would guarantee this currency are made available and if all restrictions and obstacles are removed. I would like to point out that the Islamic nation is a powerful nation, with unity and solidarity. It can establish an Islamic market and create a unified currency if unity is achieved and our intentions are sincere. We would welcome such proposal, and we hope that any action that serves the Islamic nation will be speeded up.

[Bahakam] Do you see any problems facing development of Islamic economy?

[Abdikadirov] There is no doubt that the Islamic countries are experiencing bad economic conditions, some of which were the legacy of colonialism. They also have a burden of foreign debts and difficult internal conditions that have impeded industrial development. In addition to that, the infrastructure is incomplete. I believe that a thorough study should be carried out regarding economic cooperation between the Islamic countries. The Islamic Development Bank, which has made great efforts in the field of supporting the Islamic countries, can carry out a broad study and find the appropriate solutions for economic development in the Islamic countries. The Islamic nation possesses substantial wealth. It would become an economically strong nation if properly exploited.

[Bahakam] What obstacles hinder trade and economic cooperation between the Islamic countries?

[Abdikadirov] There should be trade between the Islamic states, even if on a simple scale, because as an Islamic nation, it is our great duty to stand with one another. There is no doubt that obstacles stand in the way of trade for reasons that were created by the Islamic countries themselves. We hope that all of the obstacles will be removed, particularly because we are in a stage where the Islamic nation should be in solidarity with one another in all of the fields that will help our unity.

[Bahakam] Are there investment opportunities from which businessmen can benefit, and what are the facilities granted to them?

[Abdikadirov] There is no doubt that we welcome any Saudi businessman who wishes to invest his money in Kazakhstan. As I have already told you, the economic situation in our country is good. There are several areas in which one can invest, whether in the industrial or

agricultural area, or in the area of construction of roads and commercial buildings, and other such economic projects that the country needs. I can tell you that Saudi businessmen will be offered many facilities that will enable them to succeed. This is in addition to the continuing support from the government for the development of economic projects. I would like to ask all Saudi businessmen to take advantage of this opportunity. I invite them to invest their money in Kazakhstan, their second country.

[Bahakam] How far has cooperation between the kingdom and the Republic of Kazakhstan progressed?

[Abdikadirov] Cooperation between the two countries does exist, particularly in the area of economics, which enjoys the support and backing of both countries. I would like to take this opportunity to express thanks and appreciation on behalf of the Government of Kazakhstan to King Fahd bin-'Abd-al-'Aziz, may God preserve him, for all of the assistance offered to our country in all of the fields. This assistance had a positive impact on the sons of Kazakhstan. I would like to say that our relations will witness even greater development and progress in the coming years, especially in the area of economics. We intend to export some industrial products to the Arab countries. We will also initiate economic cooperation with all of the Arab and Islamic countries through economic agreements.

[Bahakam] How much progress has been achieved in terms of cooperation between the chambers of commerce in the Islamic countries, and have the chambers of commerce been able to contribute effectively to the opening of the bridges of cooperation?

[Abdikadirov] There is no doubt that the chambers of commerce have been able to establish trade and economic cooperation between the Islamic and Arab states by advertising the commercial projects in which they can participate and the fields in which they can invest. This method has been able to create ties of cooperation between some businessmen and has led to signing agreements and concluding deals. I can also say that the delegation from Kazakhstan that is visiting Saudi Arabia got acquainted with the economic situation and with the trade opportunities. It has also been able to familiarize the businessmen with the economic situation in Kazakhstan. Therefore, we hope that the activities of the chambers of commerce will be more effective so as to increase exchange of commercial data between the countries and advertise trade opportunities between the Islamic countries. We hope that the chambers of commerce will provide basic economic data, including information about industrial and agricultural volume, about each country and identify the facilities that each country provides. I believe that this will effectively contribute to serving the economies of the Islamic states. [end Abdikadirov]

Concluding his statement, the finance minister lauded the Kingdom's advanced development, stressing that no

other country in the world has seen such development in terms of planning on scientific basis, as well as urban and suburban planning. There is no doubt that all of this development underlines the efforts that King Fahd Bin-'Abd-al-'Aziz, may God preserve him, is making in supporting development plans so that the Saudi citizen will live in prosperity and so that the Saudi economy will remain strong and capable of dealing with all crises.

## SUDAN

### Islamic Council President Interviewed

92AF0017A Cairo AL-WAFD in Arabic 20 Sep 92 p 9

[Interview with al-Tahir 'Abdallah Buyur al-Jak, president of the Sudanese Islamic Council, by Muntasir Jabir; place and date not given]

[Text] AL-ASHIQQA met with the president of the Sudanese Islamic Council al-Tahir 'Abdallah Buyur al-Jak and asked him various questions about the council's performance and its needs for the coming period. He clarified the Front's claims of adherence to the Islamic religion, asserting that their belief could lead to dividing Sudan.

[Jabir] What is the nature of the Islamic Council's activities in view of the Front's understanding of Islamic work in Sudan?

[Al-Jak] The Front's understanding of Islam differs from ours. We say that religion is for God, and the nation is for all. The council advocates Islam for all of Sudan and for all Sudanese.

This council is the nucleus of Islamic activity in all of the new Sudan, not just in the South, as is happening now because of the current situation.

Therefore this council's Islam is different from the Front's Islam in the fact that we undertake honest competition with all religions without the use of force. We adhere to Islamic teachings, which are derived from the Holy Koran. God the Almighty said: "Invite (all) to the way of thy Lord with wisdom and beautiful preaching, and argue with them in ways that are best." This is our way of spreading Islam.

We pursue logic and mental persuasion to spread Islam. We do not advocate spreading Islam through the use of terrorism and tyranny. The Islamic front, on the other hand, considers all those who do not belong to it as nonadherents. Subsequently, they believe in enforcing their brand of Islam, not only on non-Muslim Sudanese, but also on Muslim Sudanese.

[Jabir] In light of the existing war in the South, are you confining the spread of the aims of the council to logic and persuasion only, or are you considering the military option as well?

[Al-Jak] All Sudanese, whether Muslims, Christians, or even atheists are taking part in the war. In southern Sudan, there is no sensitivity regarding religious affiliation. There, you can find a Muslim, a Christian, and an atheist in one family. Sudanese nationals, whether from the South or from the North, are taking part in the war. The Popular Movement is a widespread movement that is not confined to the North or the South.

### Sly Intentions

[Jabir] How accurate are the Front's claims about church activities or regarding their pretense about staging a war that has a religious dimension?

[Al-Jak] Both the church and Islam have existed in southern Sudan for a long time. The church's activity, however, is fruitful because the church is well organized, whereas Islam's activity lacks such organization, and there is no council to supervise Islam and Muslims in the South. This is because the administration of Muslim affairs is centralized in Khartoum.

It is not correct to say that the Popular Movement in the South is controlled by the church, because there are Muslims in the Movement. This accusation is a continuation of accusations against the Movement. Sometimes we are described as communists and at other times as siding with the church!! Anyone having ill intentions towards the Movement spreads lies in order to disfigure it. While the church's work in the South is well organized and offers humanitarian services, Islamic work is not as efficient. Therefore we appeal to the Islamic and international organizations and institutions to care for Muslims in the South and to help provide various services in order to have a secure and sound base for Islam's existence.

[Jabir] Within this context, did your visit to Al-Azhar and to the Ministry of Religious Affairs in Egypt bring results? And are there any contacts with the Islamic organizations and institutions?

[Al-Jak] The visit to Al-Azhar and the Ministry of Religious Affairs was good. Because their response was good, this visit is considered a big leap forward for our work. We are trying to contact the various Islamic organizations. However, we have assigned this mission to His Reverence the Shaykh of the Holy Azhar, as he has the experience and maintains strong relations within the Islamic world. We believe that Islam was brought to Sudan by way of Al-Azhar. This is particularly true for the South.

### Unity and the Movement

[Gabir] To what extent can the Islamic Council contribute to the consolidation of a democratic approach to the unity issue? The Popular Movement has adopted this approach, which is in confrontation with that of the southern separatists and the Front.

[Al-Jak] There is al-Nasir group, which split from the Movement because it differed from it in principle. Al-Nasir group calls for the separation of the South. The Popular Movement's principles, on the other hand, have not changed since its establishment. These principles call for fighting for a united Sudan. There is also a group of southern intellectuals who perceive that it is preferable to have a state in the South and another in the North. In addition, there are those immigrants from the South who settled in Khartoum and northern Sudan and who are treated brutally and suffer severely and have also been moved to the desert. Naturally, these people prefer to live in a separate state. These opinions represent the thinking of some groups in the South. It is believed that these opinions are the result of ill treatment and the loss of rights. As for the Popular Movement, its stand is solid and will never change. We are fighting for a united Sudan.

[Jabir] What about the military situation in the South at present?

[Al-Jak] At the beginning, the Popular Movement's style in warfare was guerrilla warfare. At that time, we captured some cities, knowing that their inhabitants needed various services. When the Front launched its summer campaign with the support of Iran and Iraq, we found that there was no reason for military confrontation. We, therefore, retreated from these regions, evacuated all inhabitants, and withdrew all equipment. Later, when the Front entered these regions, we surrounded them because we have the experience and capability to cut supplies, especially during the fall, when it becomes difficult to continue supplying these regions. This has happened in the case of Kapoeta and Torit. Presently, the Popular Front has surrounded the City of Juba with the aim of besieging it. It is difficult to send supplies to Juba by plane. We are now in absolute control of the city's airport. We will soon hear that some regions have been captured from the Front's government.

#### Charter for the Future:

[Jabir] As a political organization, the National Democratic Grouping comprises the Popular Movement and the parties in the North. How has political coordination been implemented between the Movement and the political powers in the North? Once the Front collapses, what problems do you think may arise? How could these problems be confronted so that a complete end to the civil war could be achieved?

[Al-Jak] There is a charter that binds all political powers within the Grouping. The Grouping is bound by this charter. When this regime collapses, there will be a multistage plan. First, there will be a temporary government, followed by a constitutional conference. This conference will find solutions to all of Sudan's problems.

#### Former Prime Minister Reconciliation Plan Detailed

93AF0042A London AL-SHARQ AL-AWSAT in Arabic Oct 9 92 pp 1,4

[Article by Muhammad al-Hasan Ahmad]

[Text] London—AL-SHARQ AL-AWSAT has obtained a copy of the reconciliation draft plan that [former prime minister] al-Sadiq al-Mahdi submitted to the government, the Sudanese parties, and the Popular Movement. Al-Mahdi believes that the plan is suitable for avoiding confrontations between political forces and provides for solutions to existing problems. Al-Mahdi suggests convening a national constitutional conference of all the political parties that were represented in the constituent assembly, plus the Popular Movement, the National Democratic Grouping, and the ruling authority.

After the agreement is endorsed by the national constitutional conference, it will be put for endorsement by a national referendum. The conference will also discuss the agreements it would reach. It will also discuss cease-fire arrangements, relief work, and the administration of areas that suffered from the war. It will restore stability in fighting areas and agree on transitional measures and ruling methods during the transitional measures until a new regime is established. In particular, it will deal with matters relating to administration, including defense and security. It will also determine the transitional period, the method and timing of the referendum, and the necessary guarantees that would ensure the freedom of implementing all such measures.

AL-SHARQ AL-AWSAT has learned that all of the parties concerned have received a copy of the plan, but none has expressed a definite view on the matter, neither welcoming nor rejecting it.

AL-SHARQ AL-AWSAT has obtained the full text of the reconciliation plan that al-Sadiq al-Mahdi submitted to the Sudanese Government and the rest of the influential political forces.

The preamble of the plan says: "The Abouja talks that were held on 26 May to 4 June 1992 between the Sudanese regime delegation and the two delegations representing the Popular Movement have shown that the regime's delegation was not sufficiently prepared. It has not benefited from the opportunity to search for peace in Sudan, lacked coordination among its members, did not enjoy the Sudanese people's support, and failed to take into consideration developments in the Nigerian, African, and international fields."

After reviewing the mistakes of all sides in Abouja talks, al-Mahdi says: "But apart from the desires of a regime that is lacking in accomplishments and apart from the fact that this is an attempt by a political military movement trying to establish its negotiating position, the Abouja meeting achieved three positive things:

"1. An agreement that the present conflict cannot be resolved militarily, but rather needs to be resolved through a peaceful settlement.

"2. An agreement to continue to search for a peaceful solution.

"3. Joint trust in the Nigerian mediation, even after the Nigerian president's chairmanship of the OAU expires."

Al-Mahdi dealt specifically with the negative aspects of the Abouja talks. Beginning with the ruling regime, he says:

- The regime perceives the problem confined only to armed fighters.
- There is a detachment of the current peace efforts from past attempts at peace.
- There is a refusal to consider the government's problems—development and foreign policy—as an indivisible part of the peace talks.
- The perceptions and the efforts being made to solve the existing problems are based solely on the Islamic National Front's stand and what it proposed in the "Sudan Charter," which overlooks the fact that major internal, regional, and international developments have occurred that must be taken into account.

With regard to the Garang movement's negative aspects and mistakes, and according to what Abouja talks revealed, al-Mahdi says:

- It offers a one-sided reading of history. Indeed, it is a stand on a historical humanitarian island. It is not an exclusively northern Sudanese character. Northerners and southerners have participated in it in various degrees. If it needs to be mentioned, it should be mentioned, as part of humanity's dark past.
- References to tribal practices in Sudan as being a kind of persecution and slavery of some people—practices that are against the law and a violation against the Sudanese administration—is something that is found in backward countries. It is found in Sudan in a somewhat lesser degree than other African countries. Therefore, these practices should be referred to as an aspect of backwardness and not as a north Sudanese characteristic.

Continuing, al-Mahdi says: "Both parties to the conflict have committed grave mistakes that had an impact on deepening animosity and undermining trust." In this regard Al-Mahdi's plan points to 10 mistakes, half of which are by southerners and half by northerners. Mistakes of the southerners are listed as follows:

- Indiscriminate killing of northerners in the 1955 mutiny.
- Anyanya movement's disregard for the 1956 round table conference.
- The Popular Movement's disregard for the 1985 uprising.
- The Popular Movement's harmful alliance with Mengistu's regime and, consequently, ignoring the appeals by the democratic north in mid-1980's.

- Viewing all of the Sudanese regimes as if they were all of the same kind.

As for the northern mistakes, al-Mahdi enumerates them as follows:

- Promising a federal system on the eve of independence then reneging on it.
- Indiscriminate violence and assault against some southern intellectuals in Juba and Waw in 1965.
- Trying to force the southerners to adopt Islam and to become Arabized in the era of Lt. Gen. Ibrahim 'Abbud.
- Destroying the 1972 Addis Ababa agreement.
- Dropping the 1989 peace agreement.

Continuing, al-Mahdi says that most of these disgraceful acts took place under dictatorships that oppressed the North just as they oppressed the South. But the North itself is also to blame for the view that the northern Sudanese leaders adopted since the beginning of the national awakening. They emphasized the Islamic Arab affiliation and ignored the non-Arab and non-Islamic races. When it was realized that this view was a mistake, a move was made to rectify the situation, but it was not taken quick enough. The same thing applies to economic development, the distribution of social services, and appointments in political, administrative, technical, security, and defense positions. This was also reflected in Sudan's foreign policy. In all of this, the focus was on serving the interests of the North and ignoring the rest.

In conclusion, al-Mahdi proposes seven points as the key to solving the problems of the Sudanese people and to realizing their aspirations for peace. They are:

1. Sudan is a multireligious, multiracial, and multicultural state. Relations between its national communities are based on tolerance, political coexistence, and ensuring the citizens' rights. In order to ensure that one faction does not overpower the other, a document should be drawn out that will be binding for everybody and will focus on the Sudanese citizens' rights.
2. The Sudanese state is a democratic, decentralized state. The degree of decentralization is to be determined by the people, who will decide whether it is to be provincial, federal, or confederal regime.
3. Legislation is democratic, and every national community has the right to call for the legislative program it desires, while taking into consideration two factors:
  - Requirements for citizenship.
  - Requirement for decentralization.
4. Government rule in Sudan should be committed to basic human rights, and its form should be democratic and suitable for the country's conditions. It should avoid the negative aspects that previous experiences have revealed.

5. The Sudanese economy should be committed to a plan that takes into account the achievement of balance through the distribution of development opportunities and social services. It should concentrate on removing the effects of war, achieving development, and ensuring justice on communal and regional levels.

6. Reviewing the country's administration, defense, and security organs on the basis of just participation and laying down rules and regulations for reconciliation between efficiency and participation.

7. Sudan's foreign policy shall be committed to regional and international conventions, and maintain a balanced and positive stand in the field of Arab, African, and Islamic affiliation.

In al-Sadiq al-Mahdi's view, "this agreement should be submitted to a comprehensive national constitutional conference" to incorporate whatever details, such as a citizens' rights document, a definition of the democratic regime and so on....

After the agreement is endorsed by the national constitutional conference, it will also be put to referendum for approval.

After the referendum, any party in Sudan refusing it by a two third majority has the right to self-determination.

If the agreement is approved, a referendum will be held on the type of decentralization—regional, federal, or confederal.

The national constitutional conference will consist of the elements that were represented in the 1986-89 constituent assembly, the existing regime, the Popular Movement, and the Democratic National Assembly. It will be attended by observers from neighboring countries.

#### **NDG Opposition Leader Interviewed**

92AF1278A London AL-SHARQ AL-AWSAT in Arabic  
2 Sep 92 p 5

[Interview with Faruq Abu-'Isa, leader of National Democratic Grouping of Sudan, by Muhammad Al-Hasan Ahmad in London; date not given]

[Excerpts] Mr. Faruq Abu-'Isa is one of the most prominent leaders of the Democratic National Grouping that opposes the Sudanese regime and the general secretary of the Arab Lawyers Union. He held many ministerial posts in Sudan, and he is one of the most distinguished contributors to the Sudanese Convention, held in Cambridge. AL-SHARQ AL-AWSAT conducted a frank interview with him. The following is the text of the interview:

[Ahmad] How do you evaluate the relationship between the grouping and Garang's movement [Sudanese People's Liberation Movement]? Some indications show the existence of many differences between the grouping and the movement. For example, the movement negotiated

with those ruling in Abuja singlehandedly. Another difference is exemplified by the fact that the movement fights the regime with weapons, while the grouping only fights politically, which makes the movement believe that it is more serious about resisting the regime than the grouping is. By the same token, the movement believes that many issues remain unresolved between it and the grouping, especially those pertaining to the relationship between the state and religion.

[Abu-'Isa] [passage omitted] The principles of the charter of the Democratic National Grouping, which were agreed on in Sudan, indicate the necessity to communicate with Garang's movement, in order to integrate the movement into the grouping. In the first meeting between the grouping and the movement, discussions were held about the charter, and the movement—which is led by Garang—requested some charter modifications. After some deliberations, the grouping found these modifications reasonable and approved them. Consequently, the movement joined the grouping. This is the first time in the Sudanese struggle's history that the Northern and Southern powers have agreed on coordinating their struggle. In my view, this is a very important event happening for the first time in the history of the Sudanese struggle. All of Garang's movement's remarks and modifications were positive. [passage omitted]

For example, the Popular Front believes that the Northerners, that is, the opposition forces in the north, must also carry weapons. Otherwise, carrying weapons would give the movement an edge over others. Similarly, this vision is in line with, in one way or another, the vision of the legitimate leadership of the armed forces. Other factions of the grouping, on the other hand, weigh and consider matters from different political perspectives. These perspectives are not only connected with the toppling of the Front's regime, but also with all political aspects of what is going on in the world and the impact of such events on current events in Africa, one of which is the abhorrent civil war in Somalia. The Northerners believe that the value of political struggle either equals or is greater than military struggle. They also believe that the changes in the world since the Cold War should be taken into consideration. However, all of these deliberations and new considerations to unite the struggle against the rule of the oppressive Front and to achieve this unity on all resistance fronts has been very positive. Besides, it added much and has been useful to the Sudanese resistance movement.

[Ahmad] Is it understood from your answer that the opposition in the north does not consider it necessary to take up arms against the regime?

[Abu-'Isa] It is untrue that the opposition does not believe it a necessity to take up arms. This bloody and suppressive regime should be faced with armed opposition. Our forces in the grouping comprise all political and military units. We have actually begun to move close to this method, while taking international conditions

into account and being cautious about the Somali model. Nevertheless, military action is on the way to implementation.

[Ahmad] What is your opinion of the Garang movement negotiating alone, without the grouping?

[Abu-'Isa] The grouping believes that such negotiations do not help in stepping up the struggle against the regime. If an agreement is reached—and all indications say it is impossible to reach an agreement—it will lead to weakening the opposition. And if an agreement does not take place, the outcome will distort opposition action. Nevertheless, we of the opposition appreciate the movement's circumstances and the external and internal pressures facing it. This is why we are keeping silent.

[Ahmad] Then how does the grouping view the plea for self-determination that emerged from inside the movement?

[Abu-'Isa] We understand the reasons for the movement's talk about the right to self-determination as an alternative. They are asking for that right as a reaction to the front's program of jihad. This program would make the south a battlefield. It considers the south's inhabitants as nonbelievers. The suppressive actions that the Front resorted to included getting military aid and experts from Iran and other countries in order to perform atrocities and brutalities. We understand that such oppression could drive the southern faction to the wall and make them refuse unity. Consequently, the south's options would be lessened. At the same time, we understand and we want everyone to understand that the Front's in power is accidental and temporary. We must raise slogans that call for the people to unite to uproot the Front. We should not change our strategic positions.

[Ahmad] Referring to strategic positions, the southerners declare that even if the Front's rule collapses, the big parties' stand regarding both the relationship between religion and the state and the lifting of oppression is not quite clear. Therefore, a return to the same old dilemma would be possible.

[Abu-'Isa] I do not want to defend the parties' stand. They are more knowledgeable about it and more competent to defend it. It is my understanding is that both a progressive viewpoint and a national concord could be reached. If we go back some 20 years, we would find that even talking about the existence of brutalities or accepting the existence of various ethnic groups and cultures was unacceptable. In fact, those who spoke of these issues were considered fifth columnists, agents, or the like. Nowadays, through our struggle and political awareness, we have reached more advanced stands, such as the Koka Dam and the Mirghani agreements. [passage omitted]

[Ahmad] What about the important issue of the state-religion relationship and the system of rule?

[Abu-'Isa] The London resolutions are clear in denouncing the religious state. They further indicate that Sudan is a united democracy, where relations among citizens are based on nationalism and not ethnography. They also state that citizens have equal rights and duties and that civil and political posts are open to all. The resolutions further assert the fact that people's freedom should be respected and that all religions and the followers of those religions, and also all spiritual values and cultures, must get equal consideration. All of these clarifications denote that the existence of differences should be recognized. Meanwhile, it should be stressed that religion will not be politically exploited in a manner that could work against these civilized resolutions, which are in harmony both with Sudan's position and with obligations of the present era. These obligations imply respecting and strengthening regional and political agreements on human rights. I think that this is a true representation of the London resolutions. [passage omitted] I do not wish to elaborate more on organizational matters. I believe our brethren in the movement do not want to know more than what I have already stated. [passage omitted] To get out of this political dilemma, we need, first of all, to separate religion from the state. Our issue is to prevent the politicalization of Islam. We should listen to the voice of the ordinary people of Sudan regarding the issue of religion. These people refuse al-Turabi's Islam and advocate 'Ali al-Mirghani's and 'Abd-al-Rahman al-Mahdi's form of Islam. They believe that the latter is the Islam that fosters values and builds character. It is also the Islam that maintains the nation's unity, whereas al-Turabi's Islam is the Islam that tore apart this unity and drove the brethren to fight the war of "jihad" against one another.

[Ahmad] What about sources of jurisdiction of the Constitution?

[Abu-'Isa] [Passage omitted] It is of the utmost importance to view Sudan as a state for all citizens. A state where all beliefs and cultures are glorified and equally considered. As a lawyer, I believe there is no need to mention the Constitution's sources of jurisdiction. In fact, many countries do not mention their constitution's sources of jurisdiction.

[Ahmad] Are you considering establishing a provisional government?

[Abu-'Isa] I tell you sincerely that the idea has never been discussed seriously, although some people raised the idea and expressed the desire for that as one of this stage's necessities. But the various parties of the grouping thought that the establishment of a provisional government requires capabilities in terms of the provision of services and administration for citizens inside the country. And at present, the grouping inside the country is the base for Sudan's liberation from the Front's rule. Although the grouping's role abroad is bigger than the role played by previous groups, what is required is an assisting role. And the two roles complement one another with regard to toppling the regime. All of their

efforts should be directed toward that goal. The establishment of a government abroad might give the impression that the regime will last for a long time. We predict it will last for a very short time.

[Ahmad] There have been speculations, and it was reported in the press that you are the nominee to head the coming transitional government. What is the truth about this?

[Abu-'Isa] This is premature talk, and elaboration on it at the present time will do more harm than good. I am a member of the grouping's leadership, and our target is to overthrow the regime and restore democracy according to the program and constitution of the transitional period. These were resolved and agreed upon at the London Convention. Our present concern is not looking for posts but the recovering of the nation's health and strength. I suppose that some elements in the Front spread rumours about my nomination to head the coming government in the hope that they could cause fractures in the grouping's structure, but this is a preposterous idea.

[Ahmad] The grouping's faction outside the country is accused of having weak communications with the factions inside the country and of not performing at the required level.

[Abu-'Isa] The insiders, including their parties, unions and domestic power, are better capable of defeating, at the proper time, the Front's regime. Our role abroad is to reveal the Front's suppressive practices, tyrannies, killings, and evictions. The Front's regime was under the impression that it could perform all of these atrocities and the whole world would be unaware of them. We have completely succeeded in exposing all of these practices, especially to the international and UN organizations. Subsequently, the regime has been classified atop the list of states that violate human rights. The United Nations has assigned an expert to monitor the Front's human rights violations. The isolation imposed on Sudan by all of the states in the world is the most significant achievement of the grouping outside of the country. However, I must confess that the grouping lacks material resources.

[Ahmad] We have not heard of the deployment of any missions from the grouping to friendly countries, whether to request aid from Sudanese citizens or to seek support from these countries. Is that not considered a shortcoming by the grouping?

[Abu-'Isa] In my opinion, Sudan's liberation from the Front's dictatorship depends primarily on the resources inside Sudan. The principle responsibility is that of the two big parties because of their financial resources and other capabilities.

[Ahmad] Are there any chances of reconciliation with the regime?

[Abu-'Isa] In my view, the prospects for reconciliation are nonexistent. Even if some of the regime's leaders

think about reconciliation, their thinking will be confined to the major parties, which are fully aware of the regime's nature and evil intentions. [passage omitted]

The regime, by nature, relies on the Front's domination as being the protector of Islam and the institution best suited to establish the Islamic republic. The Front believes that the other parties are traditional ones and that their leaders could be liquidated through the absorption of their bases. The Front's politicians and traders are always individualists who want to eat their cake without sharing it with anyone else, either in power or in the market. In foreign policy, the Front, with its arrogance, considers itself the holder of wisdom and the source of faith. Subsequently, it degrades all neighboring states, and it believes, dreams, and imagines that those countries could be liquidated through the provision of aid to fundamentalist groups in these countries to establish a rigid Arab State, with Khartoum as its capital. The Front also rejects the international order, considering it to be a devil. The regime, however, is the outcome of this same world order. It deals with it secretly and sometimes also openly.

[Ahmad] What about the Sudanese-Egyptian relationship?

[Abu-'Isa] The Khartoum regime benefits by pursuing us. As a good example of this pursuit is its persistence to damage the Sudanese opposition's relations with Egypt. However, Egypt has always been kind to us. Its attitude has always been brotherly, and the country has never differentiated between Egyptians and Sudanese. Sudanese have always been given the right to live, work, and struggle inside Egypt. Egypt also adheres to a civilized code of behavior. Egypt is the land of civilization and enlightenment and the elder brother of all Arabs and Africans.

#### Arrests of Union Leaders Reported

93AF0007A London AL-SHARQ AL-AWSAT in Arabic  
16 Sep 92 p 4

[Article: "More Union Leaders Arrested in the Sudan"]

[Text] Informed Sudanese sources confirmed that more union executives were arrested by security forces in Khartoum and that other unionists lost their jobs in a drive to curtail the influence of unionist opposition and give government supporters an edge in upcoming union elections.

Arrested by security forces, according to union sources, were Yahya 'Ali 'Abdallah, former vice president of the Federation of Workers and president of the union organization for the Administration of Warehouses and Supplies; Allahi 'Abd-al-Wahab, member of the Labor Federation's central committee and member of the union organization at the Spinning and Weaving sector; al-Tahir al-Raqiq al-Haj, member of the Labor Federation's executive bureau; Judah Makam, member of the Labor Federation's executive committee; Khamis Koko

Jabir, member of the General Union for Spinning and Weaving Workers; Muhammad Muhammad Tawm, member of the Labor Federation's executive committee; and Shihab al-Din Ahmad Ja'far, secretary-general of Umm Durman Hospital Workers Union.

Security forces also called for interrogating Mahjub Muhammad al-Zubayr, first vice president of the General Federation of Sudanese Labor Unions and head of the union organization for Khartoum University workers; as well as unionists Ahmad Adam al-Madani, Haydar Bashir, and 'Ali Bukhari.

Sources also revealed that a number of unionists in several government agencies, including the Administration for Warehouses and Supplies and the Ministries of Housing and Defense, were transferred out of the capital to the states. Other union leaders, such as 'Uthman Salim and Muhammad Muhammad Tawm, were dismissed from their jobs.

The sources explained that the wave of unionist arrests has to do with union elections scheduled to be held this month and pointed out that the government fears even opposition participation in the union battle.

The Democratic Alliance for General Labor Unions (opposition) said in a recent communique that it would take part in the elections as an expression of solidarity with all the forces that struggle for the restoration for democratic freedoms, against government policies of terror, arrests, and dismissals without cause, and in order to defend workers and safeguard their benefits.

In Cairo, the opposition Sudanese National Alliance denounced Sudanese Government actions against Sudanese students abroad and its decision to recall them for study at home.

The Alliance emphasized in a statement issued the day before yesterday that no facilities exist to absorb returning students, especially those pursuing advanced scientific studies such as aviation and petroleum engineering, which are not even offered in the Sudan. The statement also pointed out that universities [in the Sudan] suffer limited capacity and that Sudanese admission rules would cause returning students to forfeit a full academic year.

Hasan Ahmad al-Hasan, external liaison officer for the Sudanese Press Syndicate in Cairo, described the recall order as a political decision and said that the director of the Public Security Agency's Students Department has submitted detailed reports from Sudanese embassies abroad that carry out full-scale surveillance of university student movements and national activities. The reports describe how those students are developing into a psychological burden on the regime and how the embassies are unable to control them.

Relief agency sources said in Nairobi that Juba airport reopened last Saturday to human traffic after the Garang forces, which have laid siege to the city since last July,

pledged not to shoot at relief planes carrying food aid to the city's 200,000 residents threatened with starvation.

Eliason [not further identified], who is currently on a three-day visit to Khartoum as part of an African tour of approximately 10 days, said his discussions with Sudanese officials would touch on bolstering cooperation between the Sudan and the United Nations.

The UN relief efforts coordinator is scheduled to meet with General 'Umar al-Bashir and with Sudanese Minister of Foreign Affairs 'Ali Sahlul.

In another development, Sudanese authorities retired eight senior armed forces officers including Field Marshal Hasan 'Allam and the generals 'Issa al-Amin, al-Tijani Muhammad al-Tijani, 'Abd-al-Mon'im Salih, Ayyub Philip, Ishaq al-Mubarak, Muhammad 'Abd-al-Rahman, and Badr al-Din Khalid.

### Famine Threatens 3,000 Southerners

93AF0007B Cairo AL-WAFD in Arabic 13 Sep 92 p 1

[Report from Khartoum: "300,000 Sudanese Face Death by Starvation"]

[Text] Sudanese opposition leader al-Tahir 'Abdallah warned yesterday that 300,000 people in the south of the Sudan face death by starvation. 'Abdallah accused the Sudanese regime of impeding the delivery of humane and medical aid to the victims.

He also accused the regime of using relief planes to carry weapons and military equipment and asserted that the regime has carried out vicious operations of murder and torture against southern residents who reject the Islamic Front's charter.

## WESTERN SAHARA

### Repression Against Sahrawi Reportedly Intensifies

93AF0073A Algiers EL WATAN in French  
29 Sep 92 p 11

[Article by Amel Boumediene: "Southern Morocco: Blind Repression"; first paragraph is EL WATAN introduction]

[Text] Moroccan oppression against the Sahrawi people is intensifying. It has just broken out again in connection with a demonstration that took place in Assa, in southern Morocco, in which 10 people were killed and 200 injured.

Hundreds of people from Assa, a city located southeast of Guelmim, gathered before the administrative office of the province in Assa to express their discontent, to demand an improvement in their living conditions, which have seriously deteriorated, and to ask for more progress to be made in the peace process. The Moroccan Army used force to disperse the crowd, resulting in about

10 persons killed and more than 200 injured, 14 of whom are in serious condition. Large-scale arrests were made. Since then the city of Assa and its vicinity have been cut off from any contact with the outside world. Telephonic communications have also been interrupted.

The secretary of the Moroccan Ministry of the Interior has denied that any persons were killed during the demonstration, further adding that the persons involved were young people looking for work.

In a communique released by the Ministry of Information of the Sahrawi Arab Democratic Republic (SADR) it was stated: "A true cry of alarm has been issued to save people suffering under the rule of the Moroccan Mok-hazi [Moroccan auxiliary forces]." Furthermore, an urgent appeal has been sent to the international media and to international humanitarian organizations on the more than tragic situation of the people living in the city of Assa. The Moroccan regime is using the auxiliary forces to reduce them to silence.

Moreover, the communique added that, "Committees of inquiry should be set up to bring fully to light the crimes committed by the Moroccan authorities." We might point out that the city of Assa is, to some extent, the center of resistance of the cities of southern Morocco. King Hassan said of them, in a speech made in 1980: "Historically, all of our problems and dangers always came from there."

The first Sahrawi protest movements began in the 1960's, when a 65-year-old tribal chief in the area was arrested and then taken to Galaat M'Gouna Prison, where he died following the torture he suffered. In 1991 King Hassan, after making a visit to Smara, went to Assa, where he attempted to calm the people by making this small city the capital of a province.

We might also recall that Assa, Tan-Tan, as well as other cities in the vicinity, are only extensions of the Western Sahara, which the Spanish colonialists turned over to Morocco. That is why the inhabitants of the region are essentially Sahrawi and were among the first to support the Polisario [Front for the Liberation of Saguia el Hamra and Rio de Oro] when it was established.

#### **Situation in the Occupied Territories**

Two young Sahrawi who fled the territories occupied by Morocco to go over to the Polisario were presented to the press on 27 September. Lemen Ahmed, 22 years old, and Takouti Ablelaali, 25 years old, were among the well-known group of 18,000 Sahrawi who were deported to northern Morocco and then repatriated to their homes. They reported on the existing situation in the occupied territories. They said: "People thought that after the the cease-fire was announced the situation was going to improve for us. However, nothing has changed. On the contrary, the situation has gotten worse in certain places. It is impossible for us to contact members of the MINURSO [UN Mission for the Organization of a

Referendum in Western Sahara]. Moreover, MINURSO members are always accompanied by Moroccan police personnel."

In this connection it must be pointed out that many Sahrawi political prisoners are still held in Moroccan jails and that the few people who have been released often suffer from physical and psychic disorders as a result.

The two young Sahrawi also spoke of the massive presence of the Moroccan people in the area, which "the Moroccan authorities want to pretend to the UN identification commission and elements of MINURSO are Sahrawi."

### **REPUBLIC OF YEMEN**

#### **Election Committee Agrees on Districts, Voters**

92AE0672A London AL-SHARQ AL-AWSAT in Arabic  
19 Sep 92 p 4

[Unattributed article from Sanaa bureau]

[Text] The Supreme Committee on Elections in Yemen was able, late last week, to settle some points of conflict that have hindered its work in the last two weeks.

Responsible sources inside the committee confirmed to AL-SHARQ AL-AWSAT that despite the fact that discussion and settlement was not complete on a systematic in-house program of the work and specialties of the committee members and its subcommittees, they had agreed to meet last Wednesday to settle the disagreement over redrawing districts and setting the standards for the population increase, based on Article 89 of the Election Law, which stipulates the establishment of the Supreme Committee on Elections by dividing the Republic into 201 election districts equal in terms of population according to the figures in the census carried out in accordance with the Consultative Council elections in North Yemen in 1986 and the Supreme Popular Council in South Yemen in 1988, taking into account the statistical rates fixed for increase or decrease, as is customary in population statistics.

Committee sources explained it was agreed that 1989 would be the population base year, after the 3.29 percent increase in the southern governorates in 1987 and 1988. They then applied a 3.1 percent growth rate in all governorates of the Yemeni Republic starting in 1989. This was the rate fixed by Arab and global statistical centers for population growth in Yemen up to 1992.

According to some information, attempts to impose individualism on the progress of the committee were among the chief obstacles to the committee's work and the major cause of the worsening of the conflict to the point where some committee members showed great indignation.

AL-SHARQ AL-AWSAT has learned that one committee member had resolved last week to bring a lawsuit against the Central Statistics Agency on the charge of forgery, after a statistical report was submitted to Judge 'Abd-al-Karim al-'Arshi, cabinet member and member of the Supreme Committee on Elections. After population experts studied the report, it became clear that the author of the report had not counted according to scientific bases and criteria. The report had tried to distribute the returnees, whose numbers were set at nearly 750,000 in the al-Hudaydah and Sanaa regions alone. Moreover, it added approximately 800,000 people as the result of technical deductions from the northern governorates' statistics, at a time when the process of adding technical deductions was going on, before the final figures were announced.

The information states that the Supreme Election Committee's work was still arbitrary because an internal list defining the specializations and tasks of each member, beginning with the president and his deputy, had not been established. Additionally, no official minutes have been kept at the committee meetings so far.

Committee sources expected for the list to be published this week, which will facilitate the committee's work, particularly given the earnest feeling among Yemeni officials that the eyes of the world—of the Europeans especially—are on Yemen, watching the elections preparation process from close by.

## REGIONAL AFFAIRS

**Pakistani Reports U.S. Arms Smuggled to Iran***93AS0011A London AL-HAYAH in Arabic 29 Sep 92  
pp 1, 4*

[Article by Jamal Isma'il]

[Text] A former Israeli intelligence (Mosad) spy revealed that some high-ranking Pakistani officers got involved in U.S. arms smuggling to Iran during Iran's war with Iraq, between 1980-88.

Akram Awan, a former officer in the Pakistani Air Force who was sentenced in 1991 to 14 years of prison, disclosed that the United States had been sending the smuggled arms to the Afghan mojahedin before 1988 and that those arms were stocked in Ugri Camp near Islamabad. Incidentally, a huge explosion occurred in that camp on 10 April 1988. The explosion destroyed 80 percent of the camp and killed 1,000.

Awan had asked to report to a judicial committee that was formed by Prime Minister Nawaz Sharif to conduct a new investigation into the causes of the air crash that killed former President Zia ul Haq and some of his generals on 17 August 1988.

Awan revealed that high-ranking army officers, especially former Commander General Aslam Beg and General Hamid Gul, former chief of military intelligence, had had a hand in the crash of the C-130.

He confessed that he came to know an Israeli woman and a general in the Iranian Air Force. He said that Pakistani military intelligence wanted to benefit from this relationship. He mentioned that an intelligence officer by the name of Captain Amar contacted him and asked him to join a company to sell electronic equipment and computers. But he discovered that the electronic equipment containers were in fact loaded with arms from Ugri Camp. These arms were being smuggled to Iran and other neighboring countries.

Awan indicated that he tried to contact the Chief of Intelligence General Hamid Gul, but he was unable to do so because some high ranking officers who had connections with the smuggling were present at the time. He then tried, in vain, to contact Gen. Zia. He also accused some Pakistani intelligence officers of having smuggled arms to Iran for material benefits only.

Awan stated that when he failed to meet with Zia ul Haq, he then contacted the U.S., Egyptian, and Iranian embassies in Islamabad and handed them copies of the invoices of the arms shipments that were smuggled from Pakistan to Iran and other neighboring countries. He also confessed that during his visit to Sweden, he met a young Jewish woman who worked for Mosad. She arranged a visit for him to Israel. He stayed for more

than 10 days in Israel, during which time he was taught how to conceal both information and means of delivering information.

He also added that the Israeli intelligence requested from him information about the Pakistani nuclear reactor Kahuta, but he told them that he had no information about it.

He also related that Israeli intelligence requested him to work on their behalf in Syria. He went to Damascus, but the Pakistani ambassador there told him to serve only his country. So he decided to return to Pakistan. Upon his arrival at Lahore Airport on 11 May 1988, he was arrested.

Awan accused Generals Aslam Beg and Hamid Gul of attempting to put pressure on him to testify that former Marshal Zulfikar (of the People's party, which is presided by Benazir Bhutto) and the American Central Intelligence Agency were behind Zia ul Haq's plane crash.

The investigation committee will resume its work in the next few days. It is expected that some of the mysteries surrounding the plane crash will be unfolded. The committee of three judges requested all those who had information about this matter to present it to the court.

## AFGHANISTAN

**Guerrilla Leaders Discuss Causes of Discord***93AS0013A London AL-HAYAH in Arabic 27 Sep 92  
p 6*

[Report from Peshawar by Ahmad Muwaffaq Zaydan and a special report from Jiddah: "Sayyaf and Khalili Trade Accusations Charges and Explain Positions on the Militia Issue"]

[Text] In two separate interviews with AL-HAYAH, the leaders of two dissenting Afghan parties discussed the causes for their discord and on their vision for the future of government in Kabul. 'Abdol Rab Rasul Sayyaf, leader of Hezb-e Ettihad-e Eslami (Sunni) accused Hezb-e Wahdat-e Eslami of responsibility for the fighting between them and of obstructing efforts to unite mojahedin groups. Conversely, Wahdat-e deputy chairman 'Abdol-Karim [as published] Khalili attributed the fighting to the absence of a plan to resolve the problem of government that has persisted since the Soviet forces withdrew from Afghanistan in February 1989.

**Sayyaf**

Sayyaf believes that the solution to the Afghan crisis lies in creating an Islamic army in place of "militia forces and the remnants of communism. The army would encompass all jihad parties." He dismissed the idea of the militias as part of the proposed army, saying that mojahedin leaders are in agreement on that point.

Asked the reasons for the conflict between his party and the Wahdat-e, he responded that Islamic Federation efforts to bring the mojahedin closer to each other are being resisted by the "enemies of jihad" and that an "alliance exists among the Isma'ilis, Shiites, and communists against us in Afghanistan. They subject us to vicious wars whenever we attempt rapprochement and divert us from our primary mission of closing the ranks." He explained that fighting broke out four times, "always after the Islamic Federation called for a meeting of Sunni and Jami'at-e mojahedin leaders.... The Shiites and communists believe that their survival depends on continued disagreement among jihad organizations."

Asked why he remains in Paghman, away from Kabul, Sayyaf said that "there are agreements among us that not a single militia communist should remain in any government agency, the army, or security organization. I had notified the brothers that I do not wish to return to Kabul until they have been ousted and disarmed." He added that mojahedin leaders had agreed at their recent meeting in Paghman to the peaceful resolution of their problems and on a commitment to previous agreements to oust the militias from the capital.

#### Khalili

Khalili, on the other hand, attributed the crisis to the lack of a plan or a format for the government. He said that the leaders of the seven Sunni parties that were based in Peshawar "believe that they are the only ones in the field, and the political understanding is what they agree upon among themselves, leaving talks with others for later."

He mentioned that "prior to the fall of (former president) Najibollah's regime, all mojahedin battalions had declared a general amnesty and called upon loyalist forces to join the Afghan nation. At that time, most mojahedin battalions in the North began to make plans for themselves as forces loyal to the regime expressed readiness to cooperate and eventually withdrew support from Najibollah. We, along with the mojahedin battalions, acknowledge that Northern forces played a very important role in toppling the regime."

He accused party leaders in Peshawar of "looking down on parties located in Iran and in the center of Afghanistan, which they consider to be weak. The jihad forces, when entering Kabul, had decided not to execute anyone without shari'a controls. However, the situation in Kabul is now beyond the control of those parties, and breaches have occurred even though people are not opposed to the Islamic policies of the parties and the latter have no desire to prosecute and punish innocent people."

He responded to Sayyaf's accusations by saying: "In our meetings with him, we have challenged him [to produce] any Iranian murderers that he is holding prisoner, but we also told him that we have religious ties to Iran. As to Sayyaf, there are Arabs who fight at his side, and we have arrested some of them but we cannot say for sure which

country stands behind them because they are still being questioned. Some of them have already been released, however, as a result of Rabbani's good offices."

Khalili said that disagreements remain about whether the elections should be held or whether the (governing) Loya Jerga Council should decide the future of the regime. He added that only four parties have consented to the Loya Jerga and that the problem therefore remains unsolved. He emphasized that the term "jihad parties" should apply to the "seven parties in Peshawar, as well as to the Hezb-e Wahdat-e Eslami, which is a coalition of eight Shiite parties."

About his position on the militias led by General 'Abdul Rashid Dustum, Khalili said that his party has agreed to the dissolution of all parties and organizations that cooperated ideologically with the previous regime, but that "some of them helped the mojahedin and stood by them prior to the fall of Najibollah. We prefer that those remain." However, he considered Najibollah and former president Babrak Karmal as "criminals whose fate must be decided by the Mojahedin Command Council."

#### IRAN

##### Foreign Firms To Bid for Yazd Mining Concessions

93AS0102K London KEYHAN in Persian 15 Oct 92 p 4

[Text] To make use of the huge mineral reserves in the province of Yazd, the Islamic Republic's Ministry of Mines and Metals is granting mining concessions to foreign companies. News sources believe that the province of Yazd has various kinds of underground reserves including iron ore, copper, silver, gold, and other high-priced ores, and because extracting and producing these resources needs huge investments, the Islamic Republic has invited large European companies to transfer their capital to Iran and to take part in the exploitation of the mines in the province of Yazd, as well as to help with the development of this province and to help the government obtain more foreign exchange.

Engineer Mahluji, the Islamic Republic's minister of mines and metals, estimated the mineral reserves in the province of Yazd at more than 1.77 billion tons, and he predicted that the largest investments for mining will be directed to the Chadoromlu Iron Mine, building a zinc foundry and implementing the Bafq Steel and Ferrous Alloys and Iron Ore Project. The official announced that to date the investments have come to \$2 billion, and he added that in the future, the province of Yazd will see more large investments.

##### Italy Ranks Third Among Iran's Trading Partners

93AS0102J London KEYHAN in Persian 15 Oct 92 p 4

[Text] While the value of the Islamic Republic's imports from Italy in the years 1988 and 1989 did not exceed \$400 million and \$500 million, respectively, in 1990 this

figure reached \$1.1 billion, and it increased to \$1.8 billion last year. Based on official statistics published by commercial sources in Rome, in the first five months of the current year the Islamic Republic imported Italy's goods and basic and industrial substances valued at \$1.05 billion, thereby making this nation Iran's third-largest trading partner in the world. An analysis of Italy's foreign trade statistics shows that this country increased its exports to the Islamic Republic in the first half of the current year by about 65 percent compared to the same period the previous year, and from this point of view it overtook its other European rivals and Japan.

Italy's foreign trade statistical report says that in the first five months of the current year the Islamic Republic exported about \$728 million in goods to that country, most of which was crude oil. Economic experts predict that if the current trend of expanding trade relations between Rome and Tehran continues, by the end of the current year Italy will increase the value of its exports to the Islamic Republic to more than \$2.8 billion. In an agreement signed in 1990, Italy and the Islamic Republic agreed that by the end of the Five-Year Development Plan, the two nations will increase the volume of their trade to \$13.5 billion.

#### **Japanese Goods Worth 1.3 Billion dollars Imported**

*93AS0102I London KEYHAN in Persian 8 Oct 92 p 4*

[Text] Japan—For the first time in the last ten years, with the export of significant quantities of various types of consumer goods to the Islamic Republic in the first six months of the current year, Japan joined the group of nations having a positive trade balance with Iran. The economic sector of the Islamic regime's embassy in Tokyo recently announced that in the months from January to June of 1992, in return for pouring \$1.35 billion in merchandise and consumer goods into Iran's open markets, Japan purchased about \$1.295 billion in crude oil and other traditional goods. Early last week IRNA sent a report announcing that the value of the commercial exchanges between Japan and the Islamic Republic in the first six months of the current year reached \$2.646 billion. In justifying the reason for the upset in the trade balance between Tehran and Tokyo to Japan's advantage, the agency said that the drop in the value of crude oil on international markets and the increase in Iran's machinery imports caused the Islamic Republic to have a trade deficit with Japan in the first six months of the current year for the first time.

In the year 1991, with exchanges of goods valued at \$5.3 billion, Japan was first after Germany on the list of the Islamic Republic's trading partners in the world. Currently the Islamic Republic buys about \$5 billion in goods per year from Germany, about \$2.9 billion from Japan, \$2.5 billion from Italy, about \$1.3 billion from England, \$1.2 billion from France, and about \$790 million from the United States.

Early last August the Islamic regime's commercial officials announced that last year this country imported about \$28 billion in goods from various nations of the world. The main source of foreign exchange for the Islamic Republic's imports is currently crude oil. Foreign exchange revenues obtained through the sale of Iran's crude oil to various nations in the world are estimated at about \$14 to \$15 billion per year. International oil trade sources recently announced that currently Japan is considered the largest purchaser of Iran's crude oil, and it buys more than 400,000 barrels of this energy-creating substance per day. After Japan, Italy, France, and several other industrial nations are the largest purchasers of Iran's crude oil.

#### **German Exports Exceed 2 Billion Dollars**

*93AS0102H London KEYHAN in Persian 8 Oct 92 p 4*

[Text] In the first five months of the current year Germany has maintained its former position as Iran's largest trading partner in the world by exporting to the Islamic Republic various basic and consumer goods and various substances. German commercial statistics sources estimated the total value of the exchanges between the Islamic regime in Tehran and Germany during the period under discussion at about \$2.4 billion. These sources announced that the value of Germany's exports to the Islamic Republic is about eight times that of that country's purchases from Iran, and explained that the balance of trade between Tehran and Bonn in the last few years has consistently been to Germany's advantage.

A statistical report published by the commercial division of the European Community says that in the first five months of the current year, in exchange for the sale of about \$280 million in goods (mostly crude oil) to Germany, the Islamic Republic has purchased from Germany various substances and consumer and basic goods valued at \$2.114 billion. A comparison of the value of Germany's exports to Iran in the first five months of the current year (1992) with that of the same period last year shows an increase of 34 percent.

Concurrent with the announcement of the trade statistics between the Islamic Republic and Germany, the chairman of the board of directors of the two countries' Chamber of Commerce and Industry in Germany announced that Bonn must cooperate in the establishment of a balance of trade between the two nations by removing crippling laws and creating customs facilities.

A newspaper printed in Tehran, quoting Dr. Khan-Budaghi, chairman of the board of directors of the Iran-Germany Chamber of Commerce and Industry, wrote that the lack of a balance of trade between Iran and Germany is one of the most important topics to be discussed at the meetings to be held on Iran Economy Day. Speaking at the site where the Iran Economy Day meetings are to be held in Stuttgart, he said: Last year the volume of trade between the Islamic Republic and Germany was more than 1.2 billion marks, a growth of

50 percent over the year 1990, while throughout that same period the growth of Iran's exports to Germany did not exceed 16 percent.

Dr. Khan-Budaghi added: Officials, merchants, and industrial leaders in Germany must take steps to correct this trade imbalance. In so doing this country must either remove crippling laws or create customs facilities to achieve a reasonable balance of trade.

In part of his talk, he discussed the types of goods that Germany can buy from Iran. He said: If the crippling laws are alleviated to some extent, and if the conditions that are now being implemented for countries such as Turkey are provided for Iran, there will be a striking increase in the export of Iran's agricultural products to Germany, and this will help to some extent in creating a balance of trade between the two nations.

#### **Military Contracts Awarded to India**

93AS0102G London KEYHAN in Persian 8 Oct 92 p 4

[Text] The Islamic Republic is turning over the task of rebuilding some of its military equipment and war materiel to Indian experts.

The economic weekly MEED, published in London, reports that India is seeking to obtain a \$190 million contract to modernize the army of the Islamic Republic's T-55 Russian tanks.

The aforementioned weekly journal, citing the newspaper ECONOMIC TIMES, published in New Delhi, wrote that negotiations to award the \$190 million contract to India have passed through the final stages and it is highly likely that Tehran will assign the task of rebuilding the Islamic Republic Army's tanks to the Indians. The text of this contract provides that the Indian experts, in addition to making the necessary repairs to the Russian-made T-55 tanks, will install on them 105-millimeter cannons made in India.

#### **Super-Puma Aircraft Purchased From France**

93AS0102F London KEYHAN in Persian 8 Oct 92 p 3

[Text] Iran has purchased four Super-Puma heavy helicopters. These helicopters, which are built in France, have been sold to Iran by the Government of Indonesia with the agreement of the Government of France, and after the spare parts are loaded, they will be delivered to the Islamic Republic's Ministry of Petroleum.

AFP, which cabled this report citing "reliable sources" in Djakarta, writes that although the price of this transaction has not been officially announced, the price of a "Puma" helicopter is between \$10 and \$15 million.

AFP adds that Tehran wants to buy five more helicopters of this type. These helicopters are among 28 helicopters that France sold to Indonesia last year.

#### **Agreement Signed for Purchase of Boeing 737s**

93AS0102E London KEYHAN in Persian 8 Oct 92 p 4

[Text] Boeing aircraft manufacturing officials in the United States have signed a contract with Iran National Airline Company officials to sell and deliver 16 737-400 aircraft to the Islamic Republic. The value of this contract is estimated at about \$1 billion, and, through the use of special financial procurement methods, the purchased aircraft will be delivered to Iran Air on a "lease with option to buy" basis.

The informed source who provided the above report on an exclusive basis to KEYHAN noted that the contract signed between Boeing Aircraft of America and the Iran National Airline must be approved by that country's State Department before implementation. On the eve of the signing of the contract to buy 16 Boeing aircraft from America, Hasan Shefati, executive director of the Iran National Airline, gave a press conference in which he told reporters and media representatives that under international regulations, by the year 2002 all aircraft from groups one and two must be removed from the airline network. He added: All the existing aircraft in the Iran National Airline, with the exception of six recently purchased Fokker aircraft, belong to groups one and two and must be taken out of service. Hasan Shefati emphasized that any kind of planning in the nation's aircraft system must now be focussed on aircraft replacement, rather than expansion. He said: The average age of the world's aircraft is 11 years, while the aircraft in some of the world's advanced companies have an average age of five years.

The average age of Iran's aircraft is between 14 and 15 years. The aforementioned official discussed the future plans of the Iran National Airline to replace its current aircraft. He said: Interim solutions have been provided under this plan including renting aircraft and using them on domestic lines to reduce the gap between supply and demand on the air transportation market. During part of his press conference, the executive director of the Iran National Airline discussed the supply-and-demand situation on the air transportation market, saying that the basic problem is the shortage of space on the Iran National Airline's aircraft. He said: Currently demand pressure on air transportation is twice the supply, and the gap between supply and demand in the country is not comparable to that in other countries. He noted that the Iran National Airline flies to 47 points inside and outside the country with 28 aircraft. He said: With existing resources, any kind of expansion of flights inside or outside the country will generally disrupt our flights.

Continuing his talk, Hasan Shefati discussed the Iran National Airline's future plans to expand its flights. He said: As of the month of Aban [23 Oct-21 Nov] this year, the Iran National Airline will begin direct flights from Tehran to Tajikistan. He added: The Tehran-Dushanbe line will carry passengers with one flight per week. In part of his press conference, the executive director of the Iran National Airline announced that due to the failure

to receive a positive answer from Canada concerning the establishment of flights between Tehran and Montreal, Iran is seeking to establish direct flights between Tehran and Mexico.

### Study Views Creation of 5 New Provinces

93AS0102D London KEYHAN in Persian 8 Oct 92 p 1

[Text] The formation of five new provinces in the national divisions in the course of making up the second Five-Year Plan has been approved by the Islamic Republic's experts, and the proposal to create three provinces has already been studied by the regime's officials.

The new provinces in Iran: Tabarestan with Gorgan as its center; Sablan with Ardebil as its center; and Qehestan with Birjand as its center, have been given to the government. Studies to form the two provinces of Qom and Qazvin have also been completed and they are being studied for the government's approval. After the government gives its approval, the question of creating the new provinces will be presented to the Majles.

### Use of Sirens Restricted to Emergency Vehicles

93AS0102C London KEYHAN in Persian 8 Oct 92 p 2

[Text] The Police Traffic Control Office has informed the various organizations that they do not have the right to install rotating lights and sirens on top of their vehicles. A deputy at the Police Traffic Control Office announced: Only aid automobiles, police vehicles, fire trucks, and ambulances may use this equipment to expedite fulfilling their responsibilities. The Police Traffic Control Office has asked the government organizations who have emergency responsibilities to raise the matter of their use of rotating lights and sirens with that office, because henceforth there will be limitations on this activity. As of this week, the police forces have ordered their agents to stop using the automobiles that are equipped with this type of equipment. Currently transport vehicles, various patrols, and many offices and organizations who have come into existence since the Islamic revolution use rotating lights and sirens, mostly without a real need for it.

### Gas Price Increases Lead to Mashhad, Qom Protests

93AS0102B London KEYHAN in Persian 15 Oct 92 p 1

[Text] In its 19 Mehr [11 Oct] issue, the newspaper JOMHURI-YE ESLAMI reports that in the cities of Mashhad and Qom a great many people gathered in front of the gas company offices in these two cities to demonstrate against the gas company's increases in installation and subscription fees. The subscription costs for gas hookups in these two cities suddenly increased fivefold.

This increase does not apply only to these two cities, but has been applied throughout the country. For example, the cost of a five-flame gas meter went up from 50,000

rials to 250,000 rials, and a 10-flame gas meter went up from 75,000 rials to 300,000 rials.

The Tehran newspapers report that most of the protesters were from low-income classes, and since they do not have the money to pay for these increases, this winter they will also have to live with the approaching cold.

In the midst of this a report was received that the governor general of Khorasan called this increase "illegal" and issued guidelines "voiding" the added rates, because there was the fear that the protest demonstrations would spread again and cause a rebellion. The governor general said: Justice was immediately achieved in the implementation of the new rates until "the decision by the Supreme Economic Council is announced in this regard." However, this council announced its decision and proposed new rates to the government, and the government has also passed that on to the affiliated organizations.

### Yazdi Terms Opening, Reading Peoples' Mail Criminal

93AS0102A London KEYHAN in Persian 15 Oct 92 p 1

[Text] In an unprecedented verbal attack against Mohammad Gharazi, the Islamic Republic's minister of post and telegraph, Ayatollah Yazdi, chief of the judiciary, said that opening and reading the public's mail is a "great sin" from the point of view of Islam, which requires punishment. Speaking last Friday at the Tehran Friday prayer service, he added: It has been heard that the Ministry of Post and Telegraph has some machinery that can read the contents of letters without opening the envelopes. Ayatollah Yazdi said that this, whether from the point of view of religious law or from the perspective of the civil laws recognized in the Islamic Republic, is considered a "sin" that must be avoided.

Yazdi then said that it is the "right" of every defendant to have a lawyer in the courts, that the courts are always open to the public and that observers may attend them, except in cases where "public decency or national security" are involved.

He emphasized that if a case is heard without a lawyer present and is voted upon, the National Supreme Court will reverse the verdict. Yazdi likewise said: Based on the legal criteria in Iran, a confession given under interrogation cannot be used in a judicial proceeding; therefore a judge cannot cite it "religiously and lawfully."

The chief of the judicial power said: One of the problems with hearing cases is that the defendant admits committing the crime under interrogation, but in court the judge rejects that.

Yazdi discussed the opposition by the Council of Guardians to the Defendant's Right to a Defense Lawyer Bill. He said: The Council of Guardians is not opposed to the issue in principle. Its opposition was only on the grounds that the bill says the lawyer must be a legal specialist. He

said: Limiting the defense lawyers to the legal specialists has not justification. With the prerogatives he has, the defendant may select a legal specialist or anyone else he considers qualified for his defense.

## SRI LANKA

### Tigers Deny Massacre; University Students Protest

BK2010113492 Hong Kong AFP in English 0924 GMT  
20 Oct 92

[Text] Colombo, Oct 20 (AFP)—Hundreds of university students here Tuesday burnt photographs of President Ranjasinghe Premadasa and the leader of the Tamil Tiger movement charged with the slaughter of 146 Muslims, witnesses said.

Hundreds of slogan chanting undergraduates led by a Muslim student faction torched the portrait painting of Velupillai Prabhakaran, the supremo of the Liberation Tigers of Tamil Eelam (LTTE) outside the main Colombo university.

A spokesman for the Muslim students said they were protesting Thursday's massacre of 146 Muslim civilians and 20 security personnel in four villages in eastern Polonnaruwa District.

Students blamed Premadasa for not initiating tougher action against the separatist LTTE and burnt his portrait inside the campus. The students dispersed peacefully after their brief demonstration.

The student action came as the LTTE in a statement from its London office denied "any involvement" in Thursday's attack on the four Muslim villages and blamed the government for the violence.

The statement received here Tuesday said the LTTE concluded that the massacre had been a "carefully orchestrated retaliatory campaign by the Sri Lankan Government forces" against Tamil-speaking Moslems.

The LTTE said the victims had been "unwilling to collaborate with the government in its continued genocidal attack on the Tamil people." Thursday's violence was the worst against Muslims in two years.

Security forces as well as Muslim political parties have accused the LTTE of carrying out the slaughter in a bid to drive out Muslims from the multi-ethnic eastern region claimed by Tigers as a part of their homeland.

The Sri Lanka Muslim Congress (SLMC) has accused the Israeli secret service, the Mosad, of funding the LTTE to unleash violence against Sri Lanka's minority Muslim community and called for a protest work stoppage Friday.

### DAILY NEWS Analyzes Gamut of Ties To India

BK2310141292 Colombo DAILY NEWS in English  
15 Oct 92 p 6

[Editorial: "A Happy Development"]

[Text] Good relations with India must necessarily be the cornerstone of Sri Lankan foreign policy. This is something that both foreign policy makers as well as the country at large well understand; and in that context, President Ranasinghe Premadasa's recent statement that "the era when Sri Lanka harboured suspicions about India is now over" will be warmly welcomed on both sides of the Palk Strait.

The President, who was speaking at a meeting that followed the opening of a new garments factory at Kaluwaragaswewa in the Puttalam district on Monday, said that when he was in India recently in connection with his swing through the SAARC [South Asian Association for Regional Cooperation] nations, he was asked whether Sri Lanka had any suspicions about India. "I emphatically told them that era was over", the President said.

Reports of the President's visit to India clearly indicated that he had been warmly received and had interacted well with Indian leaders and the press. He was quoted as having said in New Delhi that there were no problems between the Narasimha Rao and Premadasa governments and they saw things from the same perspective, suggesting that the fence mending that has gone on since Indo-Lankan relations sank to the lowest depths in 1987 has progressed satisfactorily.

President Premadasa has never made any secret of how he viewed Indian interference in the affairs of this country culminating in the infamous food drop over Jaffna when Indian aircraft violated Lankan airspace to deliver an ominous message. There is no doubt that signal influenced at least in part the Indo-Lankan Accord of 1987 under which IPKF [Indian Peacekeeping Force] troops were sent here.

Given the situation of escalating JVP [Janata Vimukthi Peramuna] terrorism in the southern and central parts of the country, Sri Lankan security interests were undoubtedly served at that time by the Indian presence in the northeast. It has been argued that this presense gave new muscle to the JVP and that debate will, no doubt, go on for a long time. Whatever the outcome, the "suspicion" that President Premadasa mentioned on Monday was created and the fact that the leader of this country believes that this situation is now no more augurs well for the cordiality in Indo-Lankan relations that both countries desire.

India, of course, would like Sri Lanka to forget the unfortunate events of the recent past and look towards the future. While Lankans may be willing to forgive, they will not and must not forget. It is true that harking back to the past will get nobody anywhere and it is the future

that counts most. But we must also learn the lessons of history and always keep in mind the message of the Buddha, India's greatest son, that all things are impermanent. Good relations like bad relations need not necessarily last forever.

President Premadasa's speech at Kaluwaragaswewa and his remarks in New Delhi confirmed what we have often said in these columns: that there has been considerable and welcome improvement in Indo-Lankan relations in recent months. As the President pointed out, India is clearly and unambiguously on record saying that Sri Lanka herself must resolve her own problems. That obviously connotes that there should be no external interference and Colombo would be happy that India has firmly stated this position.

High Commissioner Nagendra Nath Jha, New Delhi's envoy in Colombo, was recently quoted saying that India had many neighbours while Sri Lanka had just one neighbour-India. The high commissioner, no doubt, was thinking in a strictly geographic sense but was not altogether accurate even in that respect in that the

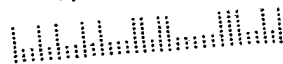
Maldives too is our neighbour. But more than that, we also regard other countries further away, like Pakistan for example, as also our neighbours and friends and appreciate similar reciprocal sentiments from those countries.

There is a distinct appreciation within India itself that the hated "big brother" attitude has cost her a great deal of friendship within the region. An editorial in an Indian newspaper, reproduced here, recently faulted an Indian diplomat for cautioning Sri Lanka against getting into areas that have no bearing on Sri Lanka. The reference was obviously to Pakistan. We are not unmindful that Kashmir is a sensitive issue, but our people are entitled to their own opinions on that subject. As the AFTER-NOON DESPATCH CARRIER said in its editorial, we are a free country.

As we said in the beginning of this comment, good relations with India must be the cornerstone of our foreign policy. We are deeply conscious of that and happy that Indo-Lankan relations are improving significantly. New Delhi undoubtedly feels the same way.

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